

INDIAN TEA ASSOCIATION

REPORT

OF THE

GENERAL COMMITTEE

FOR THE YEAR ENDED 31st DECEMBER, 1961.

**Calcutta:
1962.**

REPORT
INDIAN TEA ASSOCIATION
1961

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Report for the year ended 31st December 1961.

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INDIAN TEA ASSOCIATION

REPORT OF THE GENERAL COMMITTEE FOR THE YEAR ENDED 31ST DECEMBER, 1961.

The General Committee have pleasure in presenting to members their report on the work of the Association during their period of office.

Membership.— The following tea companies and tea estates resigned from the membership of the Association during the year :—

Aenakhall Tea Estate.

Barak Tea Co., Ltd.

Gatoonga Tea Estate.

Kowlagarh Tea Estate.

Looksan Tea Estate

Sahabad Tea Estate.

Selimbong Tea Co., Ltd.

Singiajhora Tea Estate.

Zaloni Division of Zaloni Tea Estate.

The membership acreage of the Association as at the 31st December, 1961, stood at 366,240 acres (148,212 hectares), as compared with 369,669 and 381,532 acres at 31st December, 1960 and 1959 respectively.

General Committee, Chairman and Vice-Chairman.— At the Annual General Meeting of the Association held on the 10th March, 1961 the following firms were declared elected by the vote of members to constitute the General Committee for the

year 1961 and the representatives of these firms who comprised the Committee during the year were as follows :—

<i>Firms</i>	<i>Representatives</i>
Balmer Lawrie & Co., Ltd.	Mr. H. K. FitzGerald
Davenport & Co., Ltd.	Mr. B. P. Bajoria
Duncan Brothers & Co., Ltd.	{ Mr. L. T. Carmichael Mr. A. F. Macdonald
Gillanders Arbuthnot & Co., Ltd.	{ Mr. G. A. Whitaker Mr. G. W. Maycock
James Finlay & Co., Ltd.	{ Mr. N. S. Coldwell Mr. A. N. Sircar
James Warren & Co., Ltd.	{ Sir Richard Duckworth, Bt. Mr. A. K. J. Henderson
Jardine Henderson Ltd.	Mr. I. F. Morriss
Macneill & Barry Ltd.	{ Hon. S. P. Sinha Mr. M. C. Taraporvala
Octavius Steel & Co., Ltd.	{ Mr. G. Kydd Mr. D. J. D'Eath
Shaw Wallace & Co., Ltd.	{ Mr. A. C. H. Dolphin Mr. D. B. Wallace
Williamson Magor & Co., Ltd.	Mr. P. B. Nicholls
Andrew Yule & Co., Ltd.	{ Mr. G. F. Oldham Mr. P. A. Francis

At the first meeting of the General Committee held on the 27th March, 1961, Mr. I. F. Morriss of Messrs. Jardine Henderson Ltd. was elected Chairman of the Association and Sir Richard Duckworth, Bt. of Messrs. James Warren & Co., Ltd. was elected Vice-Chairman.

Sir Richard Duckworth, Bt., resigned his appointment as Vice-Chairman in June 1961 and the Hon. S. P. Sinha of

Messrs. Macneill & Barry Ltd. was elected Vice-Chairman in his place at a meeting held on the 27th June, 1961.

Sub-Committees. - The following Sub-Committees were constituted during the year 1961.

The Darjeeling and Doours Sub-Committee

{	Mr. A. C. H. Dolphin,	{	Mr. G. W. Maycock
	Chairman.		
{	Mr. D. B. Wallace	{	Mr. G. J. Duncan
{	Mr. F. Carman	{	Mr. I. F. Morriss
	Mr. A. J. Cameron		
{	Mr. L. T. Carmichael	{	Mr. G. F. Oldham
{	Mr. A. F. Macdonald	{	Mr. P. A. Francis
{	Mr. G. Kydd	{	Mr. L. N. S. P. Pyke
	Mr. D. J. D'Eath		
	Mr. C. R. F. Mackenzie		Mr. A. N. Sircar

When Mr. Dolphin proceeded on leave at the end of September, 1961 Mr. L. T. Carmichael agreed to serve as Chairman of the Sub-Committee and did so until the end of the year.

Scientific Department Sub-Committee

{	Mr. A. K. J. Henderson,	{	Mr. D. F. Gibbs
	Chairman.		
{	Sir Richard Duckworth, Bt.	{	Mr. G. Kydd
	Mr. P. B. Nicholls		Mr. M. C. Whear
	Vice-Chairman		Mr. I. F. Morriss
{	Mr. M. S. Christie	{	Mr. G. F. Oldham
	Mr. J. D. W. Allan		Mr. P. A. Francis
{	Mr. N. S. Coldwell	{	Hon. S. P. Sinha
	Mr. A. N. Sircar		Mr. M. C. Taraporvala
{	Mr. A. C. H. Dolphin	{	Mr. G. A. Whitaker
{	Mr. D. B. Wallace		Mr. G. W. Maycock
	Mr. H. K. FitzGerald		

When Mr. Henderson proceeded on leave on the 1st June, 1961 Mr. P. B. Nicholls acted as Chairman until Mr. N. S. Coldwell

returned from the U.K. in the middle of June and took over the Chairmanship of the Sub-Committee.

Labour Sub-Committee.

Mr. I. F. Morriss,	}	Mr. A. F. Macdonald
Chairman.	{	Mr. L. T. Carmichael
{ Sir Richard Duckworth, Bt.	{	Hon. S. P. Sinha
{ Mr. A. K. J. Henderson	{	Mr. M. C. Taraporvala
Mr. B. P. Bajoria	}	Mr. G. A. Whitaker
Mr. G. A. McCarthy	{	Mr. G. W. Maycock

*Tea Control and Cost of Production
Investigation Sub-Committee.*

{ Sir Richard Duckworth Bt.	{	Mr. A. F. Macdonald
Chairman.	{	Mr. L. T. Carmichael
{ Mr. A. K. J. Henderson		Mr. A. N. Sircar
{ Mr. F. Carman	{	Mr. G. A. Whitaker
{ Mr. A. J. Cameron	{	Mr. G. W. Maycock

Foodstuffs (Assam) Sub-Committee

{ Sir Richard Duckworth, Bt.	Mr. P. B. Nicholls
Chairman.	
{ Mr. A. K. J. Henderson	{ Mr. A. C. H. Dolphin
Mr. H. K. FitzGerald	{ Mr. D. B. Wallace

Tea Warehousing and Shipping Sub-Committee.

Mr. H. K. FitzGerald,	{ The Hon. S. P. Sinha
Chairman.	{ Mr. M. C. Taraporvala
	{ Mr. M. R. Smith
Mr. W. M. Chaytor	{ Mr. P. B. Datta

Finance and Taxation Sub-Committee.

{ Mr. J. S. F. Gibb,	Mr. D. Fordwood
{ Mr. A. M. S. Fergie,	
Chairman.	Mr. D. A. Houghton
Mr. F. D. Collins	Mr. S. K. Mitra
Mr. S. B. Dutt	Mr. G. A. McCarthy

Supplies, Transport and Freight Rates Sub-Committee.

{	Mr. M. R. Smith,	<i>Chairman.</i>	Mr. G. Morgan
	Mr. P. B. Datta		Mr. S. K. Mullick
	Mr. V. Chaudhri		Mr. H. K. Rao
	Mr. J. Duncan	{	Hon. S. P. Sinha
	Mr. A. N. Sircar		Mr. M. C. Taraporvala

During Mr. M. R. Smith's absence on leave from May to September, Mr. A. N. Sircar acted as Chairman of this Sub-Committee.

Customs and Excise Sub-Committee.

{	Hon. S. P. Sinha	<i>Chairman</i>	Mr. N. P. Goenka
	Mr. M. C. Taraporvala.		Mr. M. R. Smith
	Mr. G. Morgan	{	Mr. P. B. Datta

Bonus Sub-Committee.

Mr. I. F. Morriss,	{	<i>Chairman</i>	Sir Richard Duckworth, Bt
			Mr. A. K. J. Henderson
Mr. B. P. Bajoria			
Mr. G. A. McCarthy	{		Mr. A. F. Macdonald
			Mr. L. T. Carmichael

Cachar Sub-Committee.

Mr. G. Kydd,	{	<i>Chairman</i>	Mr. I. F. Morriss
Mr. A. F. Macdonald	{		Hon. S. P. Sinha
Mr. L. T. Carmichael			Mr. M. C. Taraporvala

During Mr. Kydd's absence on leave from August to December the Hon. S. P. Sinha acted as Chairman of this Sub-Committee.

Headquarters Staff.— The Association's staff at Headquarters at present consists of Mr. J. L. Llewellyn, the Deputy Chairman, Mr. P. Crombie, the Calcutta Adviser and Mr. T. J. Mathias, the Additional Adviser. Mr. Llewellyn was on leave from May to July, 1961. During the absence on leave of Mr. J. S. Hardman, Mr. Crombie acted as Shillong Adviser for some two months from mid April, 1961 and Mr. Mathias for three months during the period August to October.

The Association's secretarial work continued to be performed by the Bengal Chamber of Commerce and Industry from whose staff Mr. E. I. Brown, Mr. B. A. Tarlton and Mr. J. D. J. Rochford were deputed to attend to the Association's work.

Secretarial Staff of the Branch and District Associations.—Mr. P. N. McWilliam continued as Secretary of the Assam Branch throughout the year under review except for a period of three weeks in June-July when he acted as Shillong Adviser during the absence on leave of Mr. J. S. Hardman. In Zone 1, Mr. R. J. Barkley resigned owing to ill health and left the Association's services in May, 1961. In Zone 3 Mr. K. N. Sircar, the Additional Secretary, was transferred to Branch Headquarters from June to September to assist Mr. McWilliam, who was carrying out the duties of Mr. J. E. Atkins, the Branch Labour Adviser, who was on leave. Mr. Sircar returned to the Zone in September but in November he was transferred to Silchar as Secretary of the Surma Valley Branch, Indian Tea Association. Mr. R. D. E. Langford Rae, who joined the Association's services in June 1961, was posted to Zone 3 on his arrival and was transferred to Zone 1 in September. He was replaced by Mr. R. K. Jaitly, who was transferred to Assam from the Dooars.

Mr. S. B. Datta continued as Secretary of the Surma Valley Branch until November when he proceeded on three months leave prior to taking up his new appointment as Secretary to the Assam Branch, Indian Tea Association.

In the Dooars Branch, the Secretary, Brig. F. H. Stevens was on leave from May to September 1961 and in his absence Mr. R. C. Mazumdar, the Joint Secretary, acted as the Branch Secretary. The Joint Secretary was also on leave during the year from January to May 1961.

Lt. Col. E. S. E. Rerrie retired in March 1961 and Mr. P. J. Parr was appointed as Secretary of the Darjeeling Branch Indian Tea Association in his place.

Labour Department.— During the year under review Lt. Col. E. S. E. Rerrie retired and Mr. R. J. Barkley resigned from the services of the Association. Mr. R. K. Jaitly joined the Association's services in May, 1961 and Mr. R. D. E. Langford Rae in June, 1961.

Mr. J. E. Atkins, Labour Adviser to the Assam Branch was on leave during the year from May to September, 1961, and during his absence Mr. K. N. Sircar was posted to Headquarters from Zone 3. Mr. Langford Rae was posted to Zone 3 on his arrival in India in June but was transferred to Zone 1 in September when he was relieved by Mr. R. K. Jaitly, who had been transferred to Assam from the Dooars.

In the Surma Valley Branch, Mr. S. B. Datta proceeded on three months leave in November, 1961 prior to his taking up the appointment of Secretary to the Assam Branch in March, 1962. Mr. K. N. Sircar has been transferred to Silchar to take his place.

In the Dooars, the Labour Adviser, Mr. R. C. Mazumdar was on leave from January to April. On his return he acted as Secretary to the Branch in place of Brig. Stevens who was on leave. Mr. T. Borooah acted as Labour Adviser and Mr. R. K. Jaitly took over as Additional Labour Adviser. On Brig. Stevens' return Mr. Jaitly was transferred to Assam.

On Lt. Col. E. S. E. Rerrie's retirement, Mr. P. J. Parr was appointed Labour Adviser to the Darjeeling Branch.

The Labour Department staff are now posted as follows :—

Mr. J. E. Atkins	Headquarters	} Assam Valley
Mr. D. K. Dutta	} Zone 1	
Mr. R. D. E. Langford Rae		
Mr. J. R. Gee Smyth	Zone 2	
Mr. G. T. Allen	} Zone 3	
Mr. R. K. Jaitly		
Mr. K. N. Sircar		Surma Valley
Mr. R. C. Mazumdar	}	Dooars
Mr. T. Borooah		
Mr. P. J. Pafr		Darjeeling.

Statistical Department.— Mr. B. A. Yashanoff, who had been in charge of the Association's Statistical Department for several years, resigned his appointment during the year and was replaced by Dr. S. K. Mitra formerly of the Indian Statistical Institute.

The Tea Board.— (1) *The Board.* The Association was represented on the Tea Board during the year under review by the following gentlemen :—

Mr. N. S. Coldwell.
 Mr. J. P. Hannay.
 Mr. T. J. Hardingham.
 Mr. I. F. Morriss.

(2) *The Executive Committee.* The Tea Board has an Executive Committee of nine members and the following gentlemen represented the Association on it during the year under review :—

Mr. N. S. Coldwell.
 Mr. I. F. Morriss.

(3) *Licensing Committee.*—Rule 12 of the Tea Rules 1954 provides for the constitution of two Licensing Committees, one for North India and one for South India. The Association's representative on the North India Committee is Mr. I. F. Morriss.

(4) *Export Promotion Committee.*—The Tea Board has an Export Promotion Committee of seven members which is entrusted with the task of promoting exports of tea. The Association was represented on the Committee during the year under review by Mr. N. S. Coldwell.

(5) *Labour Welfare Committee.*—The Association was represented on the Labour Welfare Committee of the Tea Board by Mr. I. F. Morriss.

(6) *Ad Hoc Advisory Committee on Schemes for Assistance to the Tea Industry.* Mr. N. S. Coldwell represented the Association during the year under review on the Tea Board's *Ad Hoc* Advisory Committee on Schemes for assistance to the Tea Industry.

(7) *Ad Hoc Tea Research Liaison Committee.*—One of the functions of the Tea Board is to undertake, assist or encourage scientific technological and economic research and the task of making recommendations for this purpose is allotted to the Tea Board's *Ad Hoc* Tea Research Liaison Committee on which the Association was represented during the year under review by the following gentlemen :—

Mr. N. S. Coldwell.

Mr. T. J. Mathias.

The Director, Tecklai Experimental Station.

Minimum Wage Advisory Boards and Advisory Committee.—

(1) *Central Advisory Board.* The Association was represented on the Minimum Wages Central Advisory Board by the Calcutta Adviser, Mr. P. Crombie.

(2) *West Bengal Advisory Board.*—The Association was represented on the West Bengal Minimum Wages Advisory Board by the Calcutta Adviser, Mr. P. Crombie. Two meetings

of this Board were held during 1961, one on the 12th January, and the other on the 3rd October.

(3) *Advisory Committee for Assam.*—The Association was represented on the Assam Minimum Wages Advisory Committee for Assam by the Deputy Chairman, Mr. J. L. Llewellyn.

Indian Standards Institution.—The Association continued its membership of the Indian Standards Institution during 1961 and was represented on the following Committees of the Institution by the following :—

- (i) *Wood Products Sectional Committee*—Mr. F. Carman and Mr. P. B. Nicholls both of Messrs. Williamson Magor & Co., Ltd. as principal and alternative representatives respectively.
- (ii) *Agricultural and Food Products Division Council*—Mr. H. Ferguson, Director, Tocklai Experimental Station and Mr. S. Ananda Rau, Chief Scientific Officer of the United Planters Association of Southern India as principal and alternate representatives respectively. When Mr. Ferguson left the Association's services, Mr. N. G. Gokhale was nominated as the Association's representative on the Council.

Representation of the Association on various bodies.—The Association was represented on various public bodies during 1961 as follows :—

- (a) The Governing Body of the Endowment Fund of the School of Tropical Medicine, Calcutta, by Mr. H. Mackay Tallack.
- (b) The Committee of Control of the Ross Institute of Tropical Hygiene, India Branch by Mr. H. Mackay Tallack.
- (c) The Eastern Regional Committee of the Central British Committee by Mr. C. D. Wilson.
- (d) The Railway Rates Advisory Committee by Hon. S. P. Sinha.
- (e) The West Bengal Leprosy Association by Mr. V. K. Chaudhri.

- (f) West Bengal Pradesh Committee of the Sardar Vallabhbhai Patel Memorial Fund by Mr. G. A. Whitaker.
- (g) West Bengal Government Committee on Unemployment on Tea Plantations by Mr. P. Crombie.
- (h) North Bengal Flood Advisory Committee by Mr. G. A. Whitaker.
- (i) Export Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. I. F. Morriss.
- (j) Labour Relations Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. P. Crombie.

Indian Tea Association (London).—As in the* past, the General Committee corresponded throughout the year with the Indian Tea Association (London) on all matters of common interest and liaison between the two Associations was greatly facilitated by an interchange of visits which made possible discussion on many of the problems which confronted the Industry in 1961.

Sir Percival Griffiths, Adviser to the London Association, visited India in August, 1961 and again in November/December, 1961. The first visit was of very short duration but the Association was able to obtain the advice of Sir Percival Griffiths on a letter to the Council of Scientific and Industrial Research regarding the formation of the Tea Research Association. During his second visit, the Association's representatives were accompanied by Sir Percival when they called upon various Government officials at New Delhi to discuss matters which were under correspondence at the time with the Government of India.

Mr. R. L. Hards and Mr. G. W. U. Liddle of the London Committee visited India during the cold weather of 1961/62 and were invited to become honorary members of the Calcutta Committee.

Similarly in London, Mr. N. S. Coldwell, the Hon. S. P. Sinha, Mr. A. C. H. Dolphin and Sir Richard Duckworth, Bt.

were invited to become honorary members of the London Committee when they were in the U.K. on leave.

In accordance with custom, the Chairman and Deputy Chairman paid a visit to London in July, 1961, when discussions on a wide range of subjects took place.

United Planters Association of Southern India.— As in the past liaison has been maintained by the Association with the United Planters Association of Southern India by an exchange of views on matters of importance to the Tea Industry. The South Indian Association was represented at meetings of the Consultative Committee of Tea Producer Associations held in Calcutta in January, April, June and November, 1961. The Chairman and Calcutta Adviser visited South India in September, 1961 to attend the Annual General Meeting of the U.P.A.S.I. They also attended a meeting of the Consultative Committee which was held at Coonoor at that time.

The Branch and District Associations.— The various Branch and District Planters Associations with whom the Association corresponded on all matters of interest to producers were as follows :—

	<i>Membership area hectares</i>
Assam Branch Indian Tea Association	98,669
United Planters Association of Southern India	59,505
Dooars Branch Indian Tea Association	39,895
Indian Tea Planters Association, Jalpaiguri	26,543
Surma Valley Branch Indian Tea Association	23,218
Tea Association of India	21,521
Assam Tea Planters Association	20,358
Bharatiya Cha Parishad	17,728
Darjeeling Branch Indian Tea Association	16,710
Surma Valley Indian Tea Planters Association	7,254
Terai Planters Association	4,898
Tripura Tea Association	4,374
Terai Indian Planters Association	4,227
Kangra Valley Indian Planters Association	3,844
Dehra Dun Tea Planters Association	1,734

Consultative Committee of Tea Producer Associations. —The Consultative Committee continued to function throughout the year and held a total of eleven meetings all of which were held in Calcutta with the exception of one, which took place at Coonoor in September, 1961. As in the past, the Consultative Committee served a very useful function in that it provided a forum in which the producers' views on various matters of interest to the Industry could be usefully exchanged. The Committee's discussions during the course of the year covered, among other matters, the following principal subjects:—

- (1) the question of renewing the International Tea Agreement, and a memorandum was submitted to the Government of India in April, 1961.
- (2) the Bonus Agreement of 1961 was finalised during the year and the Committee examined various problems resulting from its interpretation and implementation
- (3) Mr. B. C. Ghose was appointed as the Industry's representative on the Wage Board in place of Mr. L. T. Carmichael, who had resigned owing to ill health. The Board's questionnaire was examined by the Committee and guidance instructions were issued to the Producer Associations.
- (4) the excise duty on tea was increased in March 1961 and the Committee submitted a representation to the Government of India drawing attention to the heavy burden which these increases would impose on tea producers.

In December, 1961 the Committee submitted a Memorandum to the Chairman, Tea Board putting forward proposals for the consolidation of taxes on tea.

- (5) the agenda for the meeting of the Industrial Committee on Plantations held in September was dis-

cussed by the Committee and the employers' views on the various items were finalised.

All these matters are dealt with in greater detail elsewhere in this report.

Terai Planters Association.— During the year the Association paid the usual subvention of Rs. 4,000 to the Terai Planters Association but it was decided that in future, as a measure of economy, the Association should revert to the former arrangement under which the Association made up any deficit incurred by the Terai Planters Association subject to a maximum of Rs. 4,000 on condition that the rate of subscription of that Association was not lowered.

Consideration was also given to the question of amalgamating the Terai Planters Association with the Darjeeling Branch Indian Tea Association but the proposal has been held in abeyance subject to further consideration.

International Tea Agreement.— In last year's report it was recorded that the Food and Agricultural Organisation of the United Nations had issued a publication in which it was suggested that by 1965, the world tea industry would be producing an annual surplus which might be in the region of 100 million lbs. This report was examined by the Association and the Consultative Committee of Tea Producer Associations in great detail and in April, 1961, the Consultative Committee submitted a memorandum, a copy of which is reproduced in the appendices, to the Government of India and to the Tea Board suggesting that the Government of India should consider calling a meeting of Producer Associations to examine the situation and to determine whether it would not be prudent to renew the International Tea Agreement, not with the object of its immediate application, but rather with the intention of keeping it in readiness lest the apprehensions of the F. A. O. should prove to be correct. No action has been taken by Government on this suggestion, but it has since been proposed that the International Co-ordinating Committee on International Commo-

dity Agreements, of which Mr. L. K. Jha, Secretary, Department of Economic Affairs, is Chairman, might set up a study Group to go into the whole question of world production and consumption to see to what extent the forecast of the F.A.O. was correct. No developments have taken place, however, but the Association continues to keep this subject under constant review.

Tea Control in India.—(1) *The Tea Act.*—Control over the planting of tea in India and over its export from this country is exercised by the Government of India through the medium of the Tea Act, 1953.

(2) *The Licensing Committee.*—The provisions of the Tea Act, in so far as they relate to tea control, are enforced by the Tea Board acting through the medium of two licensing committees one for North India and the other for South India. The Association's representative on the North India Committee is Mr. I. F. Morris of Messrs. Jardine Henderson Ltd.

(3) *Export quota allotment.*—(a) *1960/61.*—On the 8th February 1961, the Tea Board announced that the Government of India had authorised a final release of export quota for the year 1960/61, equivalent to 5 per cent of the crop basis of estates, making a total release of 65 per cent for the year which was equivalent to 225.81 million kilograms.

In a notification dated the 20th March, 1961, however, the Government of India declared the export quota allotment for the year 1960/61 at 233.31 million kilograms. The Association was advised that the difference between this figure and the quantity which the Tea Board was authorised to release, namely 7.50 million kilograms, was intended to cover dust teas which were exported during 1960/61 under licences without quota.

(b) *1961/62.*—On the 1st May, 1961, the Tea Board announced that the Government of India had authorised an interim release of quota for 1961/62 equivalent to 55 per cent of the crop basis of estates.

In a notification dated the 14th November 1961, the Government of India, Ministry of Commerce and Industry, suspended the operation of Sections 19, 20, 21(1), 21(2), 21(3), 22 and 23 of the Tea Act. This had the effect of suspending the export quota system until further notice. Licences are still required, however, for the export of tea and are issued by the Tea Board on payment of a licence fee of Rs. 2.20 per metric tonne or part thereof.

(4) *Export of dust tea without export quota.*—In last year's report it was recorded that the Government of India had permitted the export of dust teas under licences, which were not required to be covered by export quota rights and that such exports would be allowed up to the 31st May, 1961.

By a notification dated 31st March, 1961 the Government of India extended the time limit for such exports up to 31st May, 1962. In November, 1961, however, the export quota system was suspended and all teas may now be exported under licences, which do not require to be covered by export quota rights.

(5) *Export of Tea seed from India.*—As is customary, the Tea Board asked all Producer Associations in April 1961 to submit details of the amount of tea seed likely to be produced by their members during the year and also the amounts likely to be required by them for replacements and new plantings. The returns submitted by tea estates indicated that their requirements of tea seed would exceed their production and in September 1961, the Tea Board advised the Industry that the Government of India had decided that no tea seed should be allowed to be exported from India during the financial year 1961/62.

(6) *Tea Extensions.*—By a notification dated the 7th August 1961, the Government of India amended clauses (b), (c) and (cc) of sub-rule 2 and deleted sub-rule 5 of Rule 30A of the Tea Rules 1954, and thereby liberalised the conditions for the grant of permits for extensions to tea estates. For each 5 year period

from 31st March 1955, estates between 60 and 120 hectares may now be allowed permits for extension upto 25 per cent of their areas, provided that the extensions do not increase the area of the estate concerned to more than 138 hectares as compared with the previous limit of 132 hectares. Estates between 120 and 200 hectares may be granted permits for extensions upto 15 per cent of their areas as compared with the previous limit of 10 per cent and estates of over 200 hectares may also be granted permits for extensions up to 15 per cent of their areas as against the previous ban on the issue of extension permits to such estates.

In May, 1961, the Tea Board, with a view to assessing the potential development programme of the Tea Industry for the Third Five Year Plan, issued a questionnaire, which was circulated to all members, asking tea gardens to supply the Board with the following data :—

- (i) area of land available for extensions and replacements;
- (ii) new plantings programmed by the estates during the five year period of the Third Plan.

The Tea Act 1953.—(1) *The Act.* There were no amendments to the Tea Act during the year under review. An upto date copy of the Act was issued to members under Circular No. 133 dated the 11th October, 1961.

(2) *The Rules under the Act.* Rule 12 of the Tea Rules, 1954 was amended, by a notification dated the 23rd March 1961 issued by the Government of India, Ministry of Commerce and Industry, to provide for the constitution of an Export Promotion Committee. The powers of this Committee were laid down in a new rule No. 13A which was added by the same notification—a copy of which will be found in the appendices to this report.

By a notification dated the 25th March, 1961, a copy of which is reproduced in the appendices, the Government of

India, Ministry of Commerce and Industry amended various sections of the rules to give effect to the metric system of weights and measures. An up-to-date copy of the Rules was issued to members under Circular No. 70 of the 9th June, 1961.

Rule 30A of the Rules was amended by the Government of India, Ministry of Commerce and Industry by a notification dated the 7th August 1961. As a result of these amendments estates with areas between 60 and 120 hectares were permitted to extend their areas by 25 per cent provided that the extensions did not increase their areas to more than 138 hectares as against the previous figure of 132 hectares. The restriction on the grant of permits for extension to estates of more than 200 hectares was also withdrawn and all estates of more than 120 hectares may now receive permits for extensions upto 15 per cent of their areas at the commencement of each five year period.

(3) *Tea Cess*.—During the year under review Tea Cess continued to be levied on exported teas at the rate of Rs. 4.4 per one hundred kilograms.

The Marketing of the 1961 Crop.— (1) *Crop*.—On the basis of the monthly crop returns submitted by Agency Houses the 1961 tea crop in North East India has been estimated by the Association's Statistical Department at 270,261,650 kilograms as compared with the revised estimate of 240,290,866 kilograms for 1960 which indicates an increase of 12.47 per cent.

(2) *Export Quota Allotment*.—On the 1st May, 1961, the Tea Board announced that the Government of India had authorised an interim release of export quota for 1961-62 equivalent to 55 per cent of the crop basis of estates. In November the Tea Board announced that the Government of India had decided to suspend the operation of the export quota system and that until further notice tea could be exported under licences which would not be required to be covered by export quota rights.

(3) *Calcutta Auctions*.—The export sales of the 1960/61 season were completed by the middle of March 1961, but the dust sales continued until the middle of June, 1961.

No special sales for Darjeeling teas were held, but Sales 1 and 2 were held on the 15th and 29th May respectively, for which early teas of all growths were catalogued although the majority of the offerings were from Darjeeling. Sale 3 was held two weeks later on the 12th and 14th June 1961 and by the end of the year 28 sales had been held.

(a) *Export*.—Demand at the export sales held in May and June was fairly good but prices for Darjeeling first flush teas were irregular because, while the best flavoury invoices sold well, the poorer quality invoices were often difficult of sale.

Early second flush teas, which became available in July, met with strong demand until the end of the month when prices eased. During the following months, until the puja holidays in mid October, demand remained fairly good and prices for clean plain teas were fairly steady. As the seasonal decline in quality occurred, however, buyers tended increasingly to discount stalky and fibrous grades and prices for these invoices declined and became irregular.

In the sales after the puja holidays, the market continued to decline and withdrawals were heavy. The sharp fall in prices was partially arrested during December when an improved demand at higher prices was evident for the majority of offerings.

The average export price of all teas (exclusive of excise duty) upto Sale No. 28 was Rs. 4.83 per kilogram compared with Rs. 5.58 per kilogram at the same time last year, with the Assam average showing the largest decline, viz. 91 nP., compared with the previous year's figure. By the end of 1961 a total of 1,473,942 chests had been sold as against 1,336,163 chests at the end of 1960.

(b) *Internal Sales*.—Offerings in the internal auctions contracted further and consisted mainly of stalky and fibrous secondary grades which were unsuitable for export. Up to the

end of the year offerings had amounted to 5,864 chests as against 9,014 chests during 1960 at an average price of Rs. 4.01 per kilogram against Rs. 4.41 per kilogram during the previous year.

(c) *Dust grades.*—Demand for Just grades was irregular during the season and prices for teas from all districts showed a decline over 1960. By the end of the year 517,040 chests had been sold at an average price of Rs. 4.12 per kilogram as against 453,692 chests at an average price of Rs. 5.29 per kilogram during 1960.

(d) *Quality.* A number of gardens in Darjeeling produced a few attractive early invoices but the quality of the first flush generally from this district was irregular and inclined to be disappointing. Drought conditions prevailed during the greater part of May, followed by heavy rain in early June, which produced conditions very unfavourable for the second flush and the quantity of good second flush Darjeeling teas available during the year was unfortunately limited. Conditions for the remainder of the year were favourable for growth and resulted in a record crop but poor prices.

In Assam heavy and continual rain during late May and early June resulted in uneven flushes and a comparatively small amount of good second flush quality was seen. Gardens of orthodox manufacture produced some attractive tippy teas but stalk and fibre became noticeable in teas both of orthodox and C.T.C. manufacture from the middle of July and there was a marked deterioration in cup quality also from that date. Heavy flushing conditions continued throughout the rains and the standard of leaf and liquor of Assam teas has generally been below the average of recent seasons.

Production from the Dooars was also disappointing. Conditions were favourable for the start of the season but dry weather in April, followed by heavy rain, resulted in excessive stalk and fibre in the case of many gardens early in the season and heavy cropping conditions throughout the remainder of the season produced teas of a disappointing standard of liquor

and leaf appearance. Conditions and outturn from the Terai were very similar and in the case of this district also, stalk and fibre were prevalent.

Early teas from Cachar were of a good appearance with a little tip in the high grades. A fair average standard was maintained during the rains although stalk and fibre showed a seasonal increase in the case of many gardens.

Tea Auction Centenary.— To mark the occasion of a hundred years of tea marketing in India, the Calcutta Tea Traders' Association held a Ceremonial Auction on 2nd December and a Charity Auction on 18th December.

At the Ceremonial Auction, at which the Prime Minister of India was present, seven lots of tea which had been donated by tea companies were sold for a total sum of Rs. 1,38,000 -. The purchasers of the tea each received a small replica of a tea chest in silver, suitably engraved, from the Prime Minister and the donors also received similar replicas on the occasion of the Charity Auction, which was presided over by the Chairman, Tea Board. At the Charity Auction, buyers, brokers and sellers contributed Re. 1 - for each chest of tea bought or sold. These contributions and the proceeds of the Ceremonial Auction, which together amounted to over Rs. 4 lacs, will be donated to the Prime Minister's National Relief Fund.

Shipment of Unsold teas to the London Auctions.— The Calcutta Tea Regulation Committee continued to keep a watch over shipments to the London Auctions during the year under review although, up to the time this report was written, the Government of India had not announced any ceiling for such exports.

Proposed Tea Auctions in Assam.— In August, the Government of Assam announced that it had decided to appoint a Committee to find ways and means to develop an internal market for the tea industry in Assam, which would form the

nucleus of an auction market in Assam to be located near the inland port of Pandu, now under construction about five miles from Gauhati.

In pursuance of this decision, Government constituted a Committee under a notification dated the 4th October, 1961, on which the Association was represented by the Shillong Adviser, to consider the question of the establishment of a Tea Auction Market in Assam and to submit a report by 2nd January 1962. The Committee consisted of eleven members representing Government and producer interests with the Secretary of the Finance Department as Chairman and was empowered to co-opt firms and organisations engaged in tea brokerage, tea export and the sale of tea in the internal market.

The Committee appointed Sub-Committees to hear the views of representatives of the industry and trade both in Assam and Calcutta on the Government project. Several meetings of the Sub-Committees were held during the year for this purpose.

The Association's views on this project are outlined in the following notes on the questions in the Committee's questionnaire which particularly concern sellers :—

Q.F. (1) To what extent would tea, at present sold ex gardens, fetch better prices if channelised through auctions held at Gauhati?

I.T.A. Members do not at present sell any large proportion of their tea ex-garden and most of what is sold is by private contract to the bigger buyers for distribution both in India and abroad. Prices of tea sent to an auction at Amingaon would be depressed on account of the extra expense of having an additional set-down point.

Q.F. (2) Would the lower prices offered at the proposed Gauhati auction as a result of additional freight and other costs to buyers be more than fully offset by the advantages to the sellers by way of savings in freight

costs, warehousing charges in Calcutta and quicker returns from the sales?

The answer appears to be in the negative. Producers would save on the cost of sending tea from Amingaon to Calcutta, which would have to be borne by the buyers, but this saving would naturally be fully offset by lower prices bid at the auction. It has to be emphasised that the cost of sending tea direct from, for example, Neamati to Calcutta by steamer is much less than the cost of sending it from Neamati to Amingaon, setting it down there, and re-loading it for a subsequent journey to Calcutta. Freight costs vary much more on the number of transshipment points than they do on mere distance travelled. The main saving that producers would gain would be on a quicker return for their money by the fact of the place of auction being nearer their gardens, but this would not offset the loss on the additional handling.

There might be some advantages if purchasers could find it convenient to carry tea to their blending establishments direct by rail from Amingaon without passing through Calcutta. It is not likely to be economical to establish blending establishments at Amingaon itself because Assam teas need to be blended with others from elsewhere. For the majority of destinations in India, traffic from Assam must pass through Calcutta.

To divide the auctions between Amingaon and Calcutta would also probably result in decreased competition from buyers at both centres, thus reducing the average prices bid. The costs of establishing their representatives in Amingaon would also be reflected in the prices bid.

Q.F. (7) What facilities by way of sampling etc. would be required to be given by sellers in respect of tea sold at Gauhati auctions?

It is perhaps unlikely that many more samples would be required if auctions were established at Amingaon, because breaks sold at Amingaon would not be sold in Calcutta.

Q.F. (4) What would be the difficulties for sellers to earmark particular teas for Gauhati auctions if such auctions (a) were confined to teas meant for internal consumption and (b) covered tea, both for internal consumption and export?

There would be no difficulty over the marking of tea chests as there are already differential markings for teas consigned for sale in Calcutta and for direct export.

Q.F. (5) What other advantages and difficulties would be faced by sellers in respect of their tea if it were to be sold at auctions held at Gauhati ?

The main disadvantages have been indicated in replies to questions (1) and (2) above.

Q.G. (1) What are the overall implications if Gauhati auctions were to be confined to tea meant for internal consumption only ?

There would be a smaller number of buyers buying in Gauhati which would tend to reduce prices offered. With the suspension of export quota, export and internal teas are likely to be more than ever in competition with each other. This advantage would be lost if sales were diverted to Amingaon.

There would also be the difficulties of longer transport to the eventual consumer in India and of additional handling already set down above.

Q.G. (2) If export teas are sold through Gauhati auctions, what facilities would be required for shipment of such teas and through which port could this most advantageously be handled, taking into account earliest despatch and least handling in transit? What are the possibilities of having such shipments channelised through Kandla? What would be the

advantages of a "free" port in so far as tea exports are concerned ?

If Kandla were to be used as a port to export tea, that the facilities required there will be much less complicated than those in Calcutta. The separation of the port of export from the point of purchase will obviously give rise to much additional expenditure. It is likely also that teas would be liable to deterioration during the hot weather on their long journey across North India. It is understood that wagons are re-marshalled three or four times on this journey.

There are no advantages in a "free" port as far as exports are concerned: export duty will still have to be paid on teas entering the bonded area. The only possible advantage is that blenders might choose to blend Indian and Ceylon tea within the bonded area without paying any duty on tea brought in from Ceylon and subsequently exported as a blend with Indian tea to the Persian Gulf. This, however, does not seem to be the object of the exercise.

Q.G. (5) What are the implications of having export tea sold at Amingaon being shipped from Calcutta port ?

As explained above, there would undoubtedly be a loss to both producers and buyers by having export teas sold at Amingaon and shipped from Calcutta. The loss would arise from the extra expense from the additional set down and handling and the difficulties over documentation when the point of sale is divorced from the port of exit.

Tea Convention.— In last year's report it was recorded that the Government of India had decided to hold a Tea Convention in November 1961 and that the arrangements in this connection were being dealt with by the Export Promotion Committee of the Tea Board.

In July 1961, the Tea Board announced that Government had decided to postpone the Convention in view of the

uncertainties arising from the United Kingdom's move to join the European Economic Community.

Publicity.— For some years the question of publicity for the tea industry has been considered and towards the close of the year this matter again came under review.

It was felt that the public in general and Government officials, were not well informed about the economics of the industry and that the publication of articles, of a factual and non-controversial character, dealing with the economic problems of the industry might be of great value. Consideration is therefore being given to engaging a journalist, with suitable back-ground knowledge, to undertake this work.

Propaganda for Darjeeling Teas.— During the year the Darjeeling Branch gave detailed consideration to measures designed to promote the sale and export of Darjeeling teas.

As a first step, the Branch recommended that all chests coming from Darjeeling should have the name 'Darjeeling' clearly marked on them. This proposal was supported by the Association, and the Calcutta Tea Traders Association, to whom the matter was referred, indicated that the brokers saw no objection to Darjeeling estates marking the appropriate panel of each chest as follows :

"PRODUCE OF INDIA
DARJEELING"

The new marking was accordingly introduced by Darjeeling estates during the year.

Other proposals included the distribution of samples of Darjeeling tea to tourists visiting the Mount Everest and Windamere Hotels at Darjeeling, the preparation of a brochure for circulation at the hotels and on the I.A.C. services between Calcutta and Bagdogra and the establishment of a Tea Centre

at Bagdogra Airport. These proposals are being processed and it is hoped to secure the financial assistance and co-operation of the Tea Board in these ventures.

European Common Market.— With the possibility of Britain's entry into the European Common Market, the Association studied the possible effects which such a move would have on the tea industry. A memorandum was prepared and submitted to the Government of India and to the Chairman, Tea Board. The general conclusion reached was that in the event of Indian and Commonwealth teas being admitted into Britain duty free or on payment of a small import duty, and there being a general reduction in the tariffs for this commodity levied by other members of the Common Market, there was a possibility of an increase in the export of tea to the Continent of Europe. It was essential, however, that as low a rate of duty as possible should be fixed which would be in the interest of both Britain and India. This memorandum also formed part of a general memorandum which the Associated Chambers of Commerce of India handed to Mr. Peter Thorneycroft, when he visited India in July for discussions in Delhi on the Common Market.

The Government of India has appointed Mr. K. B. Lall as a Special Secretary for European Common Market Affairs, and at the request of the Tea Board representatives of the Association met Mr. Lall on the 18th December. At this meeting, after a general exchange of views, it was decided that the Tea Board should constitute a committee to study the possible effects which Britain's entry into the European Common Market would have on the tea industry.

Incentives for the Tea Industry.— Last year's report referred to the memorandum which the Association submitted to the Government of India detailing the main incentives which should be given to the industry to facilitate an increase and improvement in its production if the target of nine hundred million pounds of tea under the Third Five Year Plan were to be achieved. The items put forward included adequate supplies of fertilisers, intensive overseas propaganda, a subsidy for the replacement

and extension of planted areas, a reduction in the industry's liability under the Plantation Labour Act, in respect of housing, and a reduction in direct taxation.

No reply has been received to this memorandum but, during the past year, the Association continued to press these matters and details of the action taken are recorded under specific items elsewhere in this report.

In December, a Tea Conference was held at Shillong at which those present included the Governor of Assam; the Union Finance Minister; the Chief Minister; the Labour and Industries Minister, and the Finance Minister of the Government of Assam. The conference was inaugurated by the Union Finance Minister who, after expressing pleasure that exports of tea appeared to be improving, regretted that owing to various exchange restrictions, the allotment of fertiliser to the industry had been reduced. It would be Government's endeavour however, for the future, to meet the industry's entire demand for fertilisers in whatever form was required. The Minister also referred to the Tea Board's scheme of helping with finance for replanting and machinery and mentioned that, as was decided at the last session of the Industrial Committee, a Working Group was considering the question of finance for housing. Representatives of the Industry stressed the difficulties which were being experienced and, after a general discussion, three sub-committees were set up to consider resolutions on matters such as taxation, export promotion and fertilisers. The resolution on taxation recommended that the tax structure be rationalised by the abolition of the Assam Carriage Tax and the West Bengal Entry Tax with a corresponding increase in excise duty—State Governments concerned receiving a share of the centrally collected taxes. In respect of export promotion, the Conference resolved that either or both of the following reliefs should be granted (i) drawback of excise duty on tea exported; (ii) export duty should be abolished or progressively reduced.

It was also resolved in respect of fertilisers, that the tea industry in N. E. India should be allotted 1,00,000 tons of

fertilisers per year in the form of sulphate of ammonia and, in order to encourage the wider use of fertiliser among low producing areas, the Union Government should consider favourably a reduction in price to the rate of supply to other agriculturalists.

It is hoped that the Government of India and those concerned will take speedy action to implement these important resolutions.

The Association was represented at the Conference by the Chairman, the Calcutta Adviser and the Shillong Adviser.

Consolidation of Taxes on Tea.— One of the subjects which has received the detailed attention of the Association for some years has been the multiplicity of taxes which tea has to bear. The Association has urged therefore some degree of consolidation, not only to reduce the administrative burden which the multiplicity of taxes entails, but also to limit imposition by State Governments by centralised taxation—State Governments receiving their share of the taxes collected from the Government of India.

It has been mentioned elsewhere in this report that the President's consent in respect of the Assam Carriage Tax only extended up to March 1962, and it was agreed with the Indian Tea Association (London) that the present offered a suitable time for the Association to submit detailed views on the taxation of the tea industry. Officials of the Central Board of Revenue also indicated the readiness of the Finance Department to consider proposals for the adjustment of taxes if a good case were to be put forward indicating that the country would benefit from such a move.~ In September, therefore, detailed consideration was given to the contents of a memorandum to Government on taxation. Initial proposals, which were considered by a Special Sub-Committee and by the General Committee, were (i) a special profit tax upon tea companies, aimed at collecting in a normal year what was at present being collected in taxes, (ii) a tax varying with the garden's yield per acre and price per kilogram, and (iii) the amalgamation of excise, carriage tax, octroi and tea cess into one excise duty—with a separate export duty—and provision

for payment in arrears. Members submitted their views on these suggestions and the whole question received detailed consideration by the Special Committee in October. It was generally agreed that attempts to replace taxes on production by taxes on profits were likely to impose very heavy burdens upon prosperous concerns—especially in lean years—and would involve serious administrative difficulties. It was further agreed that it would be unwise to suggest that any production tax should not be treated as an expense, and it was generally decided, therefore, that the "classic approach" was probably the best method of dealing with the matter, but it should not be assumed that anything which resulted in a reduction in taxation would be unacceptable to Government. On the contrary, special efforts should be made to secure a reduction in the export duties and in the excise duties levied in Cachar and in Darjeeling. The proposals were interpreted as follows (i) there should be two duties, excise and export, (ii) the excise duty, with payment in arrears, should incorporate the present excise duty, the carriage tax and the octroi, (iii) cess should be collected with the new excise, but need not be incorporated therein and (iv) in addition to a comprehensive excise, there should be an export duty fixed at a low rate, the excise being subject to a drawback which had at one time been suggested.

These proposals were discussed at a committee meeting and with the Indian Tea Association (London) and, as a result, a final memorandum was drawn up and in due course submitted to the Chairman, Tea Board and to the Government of India. It suggested that two steps towards increased production and larger exports should be the reduction or even abolition of the export duty, and the simplification of internal taxes. It was proposed therefore that the various taxes save that on packaged tea—should be amalgamated into one tax and collected in arrears. In order that the least dislocation of existing arrangements should take place, it was suggested that the amalgamation should be on the following basis :—

- (i) the existing central excise zones should not be disturbed.

- (ii) a rate of excise for each zone should be determined on the basis of the amount estimated to be collected from each zone at present (save in Darjeeling and Cachar).
- (iii) the excise should be payable in arrears—justified because
 - (a) excise was in theory a tax on the consumer, and
 - (b) certain of the taxes which would go to form the new excise were already paid long after the tea had left the gardens, the cess only being due when the tea was exported.

The memorandum, a copy of which is reproduced in the appendices of this report, went on to calculate the present incidence of taxation, zone by zone. These figures were then applied to the production of 1959-60 and of 1961-62 and receipts calculated. Based on these figures, proposed rates of the consolidated tax were detailed which, with the exception of Darjeeling and Cachar, were substantially the same as the present totals of the various taxes. For Darjeeling and Cachar teas, certain reductions were proposed which meant a potential loss to the Central and State Governments. However, in the calculations, full collection of Carriage Tax from Cachar was allowed which, with increased production in future years, would mean no reduction in actual as distinct from potential income to Government.

The memorandum stressed that an essential feature of the proposals was payment in arrears, and that there should be a reduction or even better, the total abolition of export duty, which would greatly encourage large buyers to make their purchases in India.

No reply has yet been received from the Government of India.

Central Budget 1961 : Tea.— The 1961 Budget proposals of the Government of India provided for a reduction in export duty on tea by 9 nP. per kilogram and a reduction in the duty

on package tea from 46 nP. to 40 nP. per kilogram. To compensate for the losses on this account, the following new rates of excise duty were put forward:—

<i>Zone</i>	<i>Unit</i>	<i>Existing</i>	<i>Proposed</i>
I	kg.	4.5 nP.	10 nP.
II	kg.	9 nP.	15 nP.
IIIA	kg.	18 nP.	25 nP.
IIIB	kg.	27 nP.	35 nP.

While approving of the reduction in export duty, concern was expressed by the Association at the increases in excise duty. Representations were addressed therefore to the Government of India, through the Associated Chambers of Commerce, and to the Tea Board through the Consultative Committee of Tea Producer Associations. It was pointed out that the increase in excise duty would not, as appeared to be Government's view, be passed on to the consumer, but would have to be borne by the producer. Tea gardens would therefore have to bear another extra expense which, for example, as far as Cachar was concerned, would amount to an increase of 110 per cent in excise duty.

Government were requested therefore to retain the old rates of excise duty, while maintaining the welcome reduction in export duty. If that were not possible, the hope was expressed that (i) arrangements for the payment of excise in arrears would be introduced and (ii) the damaging increase in the rate of duty for Cachar teas would not be enforced.

• Although the matter was discussed personally with various officials of the Government of India, no alteration in the original proposals was achieved.

Finance for the Purchase of Machinery and Equipment.—

The scheme which had been introduced by the Tea Board in 1960, to enable tea companies to acquire machinery and equipment on a hire-purchase basis, continued in operation during the year and has now been extended up to the 30th June, 1962.

It is understood that up to the end of the year some sixty applications to the value of over Rs. 80½ lacs had been accepted by the Board and that a large number of cases were still being examined.

Economic Position of Tea Estates in Darjeeling and Cachar.—

The Association has for some years drawn the attention of Government and the Tea Board to the economic difficulties being experienced by tea estates in Darjeeling and Cachar.

Perhaps as a result of these representations the Tea Board, in June, decided to undertake a techno-economic survey of Darjeeling Tea Estates and a comprehensive proforma, for completion by gardens, was drawn up by the Board for this purpose. Unfortunately, the survey came at the height of the plucking season and, as a result of representations from the Association, it was postponed until later in the year. The results of the survey are now awaited.

Last year's report made reference to the various concessions which were allowed for Cachar gardens by way of subsidies on freight and fertilisers and the suspension of the collection of Assam Carriage Tax on Cachar teas.

The difficulties experienced by the Association in obtaining the continuation of the suspension of the Assam Carriage Tax on Cachar teas has been mentioned elsewhere in this report; but eventually the Government of Assam agreed to extend this the concession up to 31st March, 1961. The continuation of the transport and fertiliser subsidy for another year is under consideration by the Tea Board and, in order to support the Association's contention that these concessions should be continued, details of the estimated profit/loss of tea estates in Cachar for 1961 are now being collected from members.

The Tea Board is also undertaking a techno-economic survey of gardens in Cachar.

International Labour Organisation: Fourth Meeting of the Committee on work on plantations.—In October, 1961, the Association received information through the Employers' Federation

of India that the fourth session of the I.L.O. Committee on work on Plantations would be held in Geneva from the 4th to the 15th December, 1961 and was asked by the Federation to nominate a representative of Indian employers to attend this meeting.

Accordingly the name of Mr. J. L. Llewellyn, the Deputy Chairman was put forward. This nomination was accepted by the Government of India and the other employers' representative was Mr. U. K. Lakshman Gowda of the United Planters Association of Southern India.

The Agenda for the meeting was as follows :—

1. General Report, dealing particularly with —
 - (a) action taken in the light of the conclusions adopted at previous sessions of the Committee;
 - (b) steps taken by the office to follow up the studies and inquiries proposed by the Committee;
 - (c) Recent events and developments in work on Plantations.
2. Promotion and development of a co-operative movement for plantation workers
3. Extension of social security, with particular reference to sickness, maternity, invalidity and old age to plantation workers and their families.

After a very thorough consideration of the matters arising under these general heads, the I.L.O. Committee adopted a number of resolutions, full details of which will be found in the Deputy Chairman's report on the Conference which is reproduced in the appendices to this report.

Industrial Committee on Plantations: Tenth Session.— The Tenth Session of the Industrial Committee on Plantations was held at New Delhi on the 21st and 22nd September, 1961. The Association was represented at the Conference by the

Chairman, Mr. I. F. Morriss, Mr. J. L. Llewellyn, and Mr. J. P. Hannay as delegates and Mr. P. Crombie and Mr. J. A. D. Wilkins as Advisers. The Agenda consisted of a large number of items but the main subjects of interest to the Association were the following :—

- (a) *Wage Board*.—It was agreed that the question of allowing Advisers on the Wage Board should be decided by the Board itself.
- (b) *Abolition of the Hatta Bahar System*.—The decision taken at the eighth session of the Industrial Committee on Plantations was reiterated, namely that the dismissal of the head of the family should not result in the discharge or eviction of the other members of the family but that where difficulties arose they would be disposed of by the State Government.
- (c) *Housing*. The Association's case for a reduction of the 8 per cent target for housing was considered and it was agreed that the Ministry of Labour and Employment should set up in consultation with the Ministries of Works, Housing and Supply and Commerce and Industry, a working group to go into the whole question of finance and devise ways and means to ensure the speediest possible completion of the housing programme.
- (d) *Provident Fund*.—It was agreed that efforts would be made to secure the speedy settlement of retired and deceased workers' dues and that consideration would be given to the adoption of such features of the Assam Provident Fund Scheme as might be found practical.

Standing Labour Committee for Tea Plantations in Assam.—

The Eighteenth Session of the Standing Labour Committee for tea plantations in Assam was held at Shillong on the 21st and 22nd November 1961 and the Association was represented at the meeting by Mr. J. P. Hannay, Mr. J. E. Atkins and Mr. J. S. Hardman.

The principal subjects considered at the meeting were as follows :—

- (a) *Assam Maternity Benefit Act.*—Further consideration was given to Government's proposals to amend the Maternity Benefit Act (a) to reduce the qualifying period to 150 days less periods of lay off, earned leave and maternity and sick leave and (b) to increase the rate of benefit to the minimum wage. The Association's representatives continued to oppose the amendments but Government is likely to proceed with its proposals in this matter.
- (b) *Joint Management Councils.* It was decided that a Committee should be formed consisting of four members from Labour and one member from each of the following Associations: Bharatiya Cha Parishad, Assam Tea Planters Association, Tea Association of India and the Indian Tea Association, to assess the progress of joint management councils on tea estates and to submit proposals for the extension of the scheme to other gardens. It has since been agreed that the Shillong Adviser should represent the Association on this Committee.
- (c) *Gandhi Jayanti.* The Association's representatives turned down the proposal that the 2nd October should be added to the list of paid holidays and suggested that if labour wished to observe a holiday on Gandhi Jayanti, the existing holidays could be redistributed so that there would be three national holidays and two festival holidays each year instead of two national holidays and three festival holidays.
- (d) *Firewood.* As no agreement could be reached on the quantum of firewood to be allotted, it was decided that the Firewood Committee should be reconvened with the Chief Inspector of Plantations as Convenor and should submit its report by the 31st December 1961.

- (e) *Clerical Staff Scales of Pay.*—The Association's representatives maintained the stand that as the Wage Board would also be considering staff salaries it would prejudice the employers' position if clerical staff scales were revised. If any increase in the cost of living had occurred, dearness allowance could be adjusted in accordance with the existing agreement.

Workers' Participation in Management.—The Joint Council of Management, which was set up in 1958 on the Panitola Tea Estate, continued to hold its meetings during the year, but the Council on the Sonabheel Tea Estate failed to function because of a complete lack of interest on the part of the union concerned.

As in the past, the Panitola Council's discussions were concerned very largely with welfare measures, with the up-keep of housing, roads etc. and with arrangements which would be to the convenience and comfort of the workers. The meetings also afforded the management some opportunity of explaining to the workers' representatives the economic circumstances of the industry and the cultivation and development programmes of their estate.

At the meeting of the Assam Standing Labour Committee held on the 21st and 22nd November, 1961, it was decided that a tripartite Committee should be set up consisting of four members from labour and one member from each the following Associations: Bharatiya Cha Parishad, Assam Tea Planters' Association, Tea Association of India and the Indian Tea Association, to assess the progress made by the joint management councils and to submit proposals for the extension of the scheme to other gardens. It has been agreed that the Shillong Adviser should represent the Association on the committee when it is constituted.

Code for discipline in Industry.—During the year, members of the Association continued to report cases where breaches of the Code of Discipline had occurred and these reports were

passed on to the respective Evaluation and Implementation Committees of the State Governments concerned.

In consultation with the Assam Chah Mazdoor Sangha, the Assam Branch drew up, as is required under sub-clause (viii) of Clause II of the Code, a grievance procedure for the settlement of disputes, the basic principles of which are as follows :—

- (i) the worker or workmen must place his/her complaint(s) before the manager in the first instance.
- (ii) a Standing Committee, set up by the Union has the right to consider the management's decision in respect of any complaint or punishment and also the right to ask the manager to review such a decision;
- (iii) no dispute shall be placed before Government until such time as it has been considered at bipartite level.

On the question of the recognition of Unions the Government of India issued the following instructions to all concerned :—

- (i) a union can claim to be recognised as a representative union in an industry/establishment if it has not been found responsible (by the implementation machinery concerned) for a breach of the Code of Discipline during a period of one year immediately before claiming recognition; and
- (ii) to derecognise a union for a breach of the Code, it is necessary that the breach should have been reported by the management to the concerned implementation machinery and that on enquiry a breach should have been established by it and communicated to the union.

These instructions were passed on to members in Circular No. 102 of the 8th August 1961, but in Circular No. 111 dated the 30th August it was made clear that an application of re-

cognition from a Union, against which a complaint was pending before the Implementation Committee, could be held pending until the complaint was disposed of by the Committee.

A Seminar on the working of the Code of Discipline was organised by the Employers Federation of India in collaboration with the All India Organisation of Industrial Employers and was held in New Delhi on the 22nd and 23rd September, 1961. The Seminar, at which the Association was represented by Mr. P. Crombie, was attended by approximately fifty delegates representing various industrial organisations and firms from all over India. Various aspects of the working of the Code were examined by the seminar and at the close of the conference a statement was issued, copies of which were sent to the press and to the Labour Ministry of the Government of India who in due course indicated its general agreement with the majority of the conclusions arrived at by the seminar.

Wage Board for Tea Plantation Industry.—Last year's report referred to the setting up of a Wage Board for the Tea Industry under the Chairmanship of Mr. L. P. Dave. The Board was composed of two independent members, two members from employers and two members from the workers. The representative for the employers for North India was Mr. L. F. Carmichael, who unfortunately, due to ill health, was unable to participate in the deliberations of the Board. His place was taken by Mr. B. C. Ghose, Indian Tea Planters' Association, who acted as alternate member until towards the end of the year when he was gazetted as the Industry's permanent member on Mr. Carmichael's resignation.

The first meeting of the Wage Board took place in Calcutta in January, 1961, and the more important items discussed were the attendance of advisers at meetings of the Board; the issue of a questionnaire and the category of workers to be covered by the Wage Board. Throughout the year the Board was disinclined to allow advisers to attend its meetings in spite of previous assurances by the Government of India that advisers could be present at its meetings. It was not until the meeting

of the Board in November that it was ultimately decided, after references to Government, that advisers would be allowed to attend the meetings but not more than one for each member of the Board. After preliminary discussions at the January meeting on the questionnaire, it was finally agreed that the Chairman would draw up a draft including as many suggestions as possible from those submitted by both employers and employees. This draft would be considered at a later meeting. It was also agreed that all categories of workers as covered by the Industrial Disputes Act would come under review by the Board. The enquiry would cover both plantations, as defined in the Plantations Labour Act, and the factories situated thereon.

The next meeting of the Board took place in Madras in February, and the questionnaire was finally settled which, in spite of requests from employers for a reduction in size, ultimately appeared as a voluminous document. A proposal that separate questionnaires should be issued to Producer Associations and to tea companies was rejected and one consolidated questionnaire was issued. It was agreed, however, that those questions of a general nature could be answered by Associations, with the more detailed ones being completed by tea companies. It was at this meeting that Mr. Ramanujam, one of the members representing workers, pressed strongly for an interim wage increase pending the issue of the findings of the Wage Board. No agreement was possible, and the matter was left over for further consideration at the next meeting which was to be held in Calcutta in June. As soon as the questionnaire was issued, Tea Producer Associations decided which of the questions would be replied to by them and which would be dealt with by individual companies. Individual replies were submitted to the Wage Board by each Producer Association; but at a meeting of the Consultative Committee of Tea Producer Associations, the general form which these replies would take was agreed. The Indian Tea Association's reply was printed and issued to all members as Circular No. 140 dated 31st October. The time given to the Industry to reply to the questionnaire was extremely short—there appeared to have been

some delay in printing the questionnaire—and although the Association's reply was submitted on time, it was necessary to request an extension of the period within which individual companies' replies had to be submitted. An extension was ultimately granted. Initially, the Wage Board had asked for ten copies of all replies and, although this number was sent by the Association, it was felt to be undesirable for a similar number to be submitted by individual companies until some undertaking was given by the Board that the contents would be kept private and confidential. This undertaking was given towards the end of the year and members were asked to submit additional copies of their replies. All replies were submitted to the Board through the Association which retained one copy for record purposes.

Little was decided at the meeting of the Board held in Calcutta in June and the most important item, an interim increase in wages, was held over for a discussion at a further meeting which took place towards the end of November. At this meeting, despite opposition from the employers' representatives, an interim wage relief was agreed upon for South India, amounting to 15 nP. for men, 11 nP. for women and 8 nP. for adolescents per day worked, and a flat increase of Rs. 10/- per month for the staff. Immediately a demand was made for interim relief in North India. This demand was strongly resisted by employers' representatives as the cost of living index figure had not risen to any extent since wages were last fixed in 1959. The matter was eventually postponed until a later date.

Minimum Wages for Tea Garden Workers in Cachar.— Last year's report referred to the demands made by Cachar Unions that that district should receive wage increases similar to those granted in West Bengal and the Assam Valley. Employers maintained that the precarious position of the tea industry in Cachar made it clear that any increase in the wage bill in this district would drive many concerns out of existence and, furthermore, a Wage Board was now sitting to consider this matter. It would be wrong therefore for unilateral action to be taken in respect of minimum wages in Cachar.

A further meeting of the Minimum Wages Committee was held in Shillong in February, under the Chairmanship of the Labour Minister, Government of Assam. At this meeting the industry's representatives expressed disappointment that the Minimum Wages Committee had been reconvened, as the employers regard it as in contravention of the undertakings given before the constitution of the Wage Board. The Labour Minister stated that Government could not accept this point of view, as they did not regard this as a new issue, as Cachar was part of Assam and employers had accepted a wage increase in the Assam Valley. Throughout the meeting the industry maintained its stand that there should be no wage increase in Cachar and, although alternative suggestions were put forward by the industry, these were not acceptable either to Government or to the Unions. In spite of the strong views of employers, and a further representation to the Government of India that no action should be taken in respect of Cachar in view of the deliberations of the Wage Board, the Government of Assam issued a notification dated 12th May revising the minimum rates of wages of ordinary unskilled employees as follows:—

	Basic Wage (inclusive of conversion allowance)	Dearness Allowance	Total
Male	Rs. 1.22	0.31	Rs. 1.53
Female	Rs. 1.16	0.31	Rs. 1.47
Working Minors (12-16 years)	Rs. 0.68	0.15	Rs. 0.83

These revised rates became effective from 1st June, 1961.

As soon as this Notification was published, the Consultative Committee of Tea Producer Associations and the Cachar Sub-Committee met in order to consider what action should be taken. It was decided to make further representations to

the Government of India and to the State Government; but members were requested to implement the notification as it had the force of law.

A memorandum was duly submitted and, after detailing the financial position of tea gardens in Cachar, it was requested that in order to enable estates to pay the new wages demanded by Government, central excise duty should be abolished in the district or, if it were desired to retain it for administrative purposes, it should be reduced to a nominal figure of 1 or 2 nP. per kilogram.

Bonus Commission—Government of India.— At a meeting of the tripartite Standing Labour Committee held in March, 1960 a decision was taken to appoint a Bonus Commission. The composition of the Commission and its terms of reference were subject to detailed discussion but eventually, in December 1961, the Government of India, Ministry of Labour and Employment, issued a notification to the effect that it had been decided to set up a Commission to study the question of bonus to workers in industrial undertakings and to make suitable recommendations.

Mr. M. R. Meher is Chairman of the Commission, which consists of two independent members and two members each from workers and employers. The more important terms of reference are to :

- (i) define the concept of bonus and to consider in relation to industrial employment, the question of payment of bonus based on profits and recommend principles for computation of such bonus and methods of payment,
- (ii) determine the extent to which the quantum of bonus should be influenced by the prevailing level of remuneration, and
- (iii) consider whether there should be lower limits irrespective of losses in particular establishments, and upper limits for distribution in one year and, if so, the manner of carrying forward profits and losses over a prescribed period.

A questionnaire to those concerned is now under consideration.

The Association has maintained that the findings of the commission should not affect the tea industry's own bonus agreement with its workers.

The North-East India Tea Plantations Bonus Agreement 1961.

—The report for 1960, made detailed reference to the negotiations which had taken place with the various labour unions, under the auspices of the Bonus Sub-Committee of the Industrial Committee on Plantations, concerning a new bonus agreement. These negotiations continued throughout the early part of the year, and eventually an agreement was signed in April, 1961.

The discussions which led to this agreement were long and detailed, and at all times the Association endeavoured to maintain close contact with the Indian Tea Association (London) and other producer associations, through the medium of the Consultative Committee of Tea Producer Associations. Original proposals were that a company in years of profit would set aside a certain percentage of its profits—as computed for agricultural income tax purposes—for payment of bonus, provided that from these profits a sum equal to 7 per cent of the company's paid up capital and 5 per cent of the working capital employed in the area in question would be reserved first for the company. So that payments might be made to workers in years of loss or small profits, a company would set aside in each year of the agreement in which profits were made, a sum equal to a certain percentage of its profits. These proposals were considered at a meeting of the Bonus Sub-Committee in November, 1960, but they were unacceptable to the Unions. They stated that they could not approve of agricultural income tax profits as a basis of payment, because such profits would be difficult to ascertain from published accounts.

Further meetings of the Sub-Committee were held on the 3rd and 5th March 1961, at which the following formula was proposed for the purpose of calculating bonus :

$$\text{Bonus} = \frac{\text{profits for the bonus year}}{\text{average profits}} \times \text{average bonus}$$

On examination, this formula proved unacceptable to employers as it perpetuated the injustice of the earlier agreements which many were anxious to end. It was at this stage that detailed consideration began to be given to the possibility of a direct percentage of profits being paid as bonus.

Further meetings of the Bonus Sub-Committee took place and, on 26th April, an agreement was signed by all parties which ended a year or more of negotiations. During these meetings many proposals were made and rejected, but eventually an agreement was signed covering the years 1959, 1960 and 1961. It embraced not only labour, but also sub-staff and monthly rated workers, and clerical and medical staff. It provided that in each year of the Agreement in which there was a profit, the company would allocate for distribution amongst those of its workmen who were entitled to bonus, sums equal to the following percentages of its profits :

	<i>West Bengal and Tripura</i>	<i>Cachar</i>	<i>Assam Valley</i>
Labour	11%	12%	12%
Sub-staff and monthly rated workers	1½%	—	—
Clerical and medical staff	1½%	2%	2%

Profits were defined as the profits earned by the company in the area in the year on account of which bonus was payable, minus depreciation, as permitted by the Income Tax Authorities, and minus all charges which were allowed by the Income Tax Authorities, but without deductions for payment of income tax, for previous losses, for capital expenditure and for any bonus charged in 1959, 1960 and 1961 on account of a previous year.

In addition to the payment of this bonus, each company, except companies in Cachar and Tripura, would credit to the appropriate bonus fund on behalf of its workmen, a sum equivalent to $1\frac{1}{2}$ per cent of the profits if any in 1959, to 1 per cent of profits if any in 1960, and to $\frac{1}{2}$ per cent of the profits if any in 1961. An individual workman would be entitled to a share in the bonus available :—

- (i) if he were a member of the labour force—based upon the number of days which he worked in the bonus year : a day worked by a female worker counting as $1\frac{1}{4}$ days for the purpose of calculating her share of bonus (subject to a certain minimum of days worked)
- (ii) if he were a member (i) of the sub-staff or monthly rated staff or (ii) of the clerical and medical staff — proportionate to the ratio which his basic salary on 31st December of the bonus year bore to the total salaries of those in either (i) or (ii) as the case might be.

If a company in the Assam Valley made a loss or inadequate profits in the year 1959, then there would be advanced,

- (i) to each member of the labour force who had worked for not less than 240 days and to each female worker who had worked for not less than 175 days in that year, and who was still on the company's books, a sum of ten rupees, with proportionately lesser amounts for minors and for those who had worked for a lesser number of days, and
- (ii) to each member of the clerical and medical staff who had worked for not less than eight months in the bonus year and who was still on the company's books, a sum of twenty-five rupees, with a proportionately lesser sum for lesser periods.

The sums advanced were to be recoverable from subsequent bonuses, or if they were inadequate from the Fund.

If in 1960 or in 1961, a company in the Assam Valley, or if in any year of the Agreement a company in West Bengal made a loss, or so small a profit that the maximum bonus payable to any workman fell below ten rupees, then the Managers of the Bonus Fund would, with the permission of the Board, cause to be distributed from the relevant Bonus Fund a sum which would enable the company concerned to make a payment :—

- (i) of ten rupees to each member of the labour force who, being a male, had completed 240 days' work and who being a female, had completed 175 days' work, subject to certain qualifications ;
- (ii) of fifteen rupees to each member of the sub-staff or monthly rated staff who had worked for eight months ; and
- (iii) of twenty-five rupees to each member of the clerical and medical staff who had worked for eight months with proportionately lesser payments to those with lesser entitlements provided always that there was sufficient money in the Fund concerned and provided that the workman was still on the company's books.

The agreement a copy of which is reproduced in the appendices also provided that bonuses and contributions to the pool would be payable in respect of 1959 by the 30th November, 1961, or within twelve months of the payment of bonus on account of 1958, whichever was later, and in respect of subsequent years within twelve months of the payment of bonus on account of the previous year.

Once the agreement had been signed, members began to calculate the bonus payable for 1959, and clarification of various clauses in the agreement became necessary. Two circulars were issued by the Association, one to Agency Houses and Proprietors dealing with agency house matters and the other to all members dealing with items which were of general interest. The agency house circular—No. 81 dated 27th June, 1961—

dealt with such matters as the exclusion of investment income from bonus calculations where it arose outside the "area"; the inclusion of development rebate in depreciation; "Company's" obligations which varied with profits to be taken to mean managers' commission, managing agency commission, contribution to a managerial pool; and the non-applicability of the agreement to Cachar estates which paid one month's basic salary as bonus irrespective of whether there was a profit or a loss. The circular to members—No 79 dated 27th June, 1961—dealt with matters such as the formula to be used for the calculation of bonus; the position of sick attendants, new entrants and dismissed workers; the calculation of bonus for women workers and minors; the calculation of staff entitlement of bonus; the division of "workers" between labour, and clerical and medical staff.

After examination of the accounts of various companies, the Unions alleged that certain calculations had not been made in accordance with the Agreement; that investment income had been excluded from the calculations, that development rebate had been taken into account in arriving at profits for bonus purposes; and that secretaries' "remuneration" was being deducted from profits. In order to endeavour to resolve these differences, a meeting of the Bonus Sub-Committee was held on 13th November. Little was settled, and the Sub-Committee re-assembled on 5th December. It was decided that the views of the various parties on the question of the exclusion of investment income should be referred to the Government of India. Other matters in dispute are still under consideration.

The agreement provided that the Indian Tea Association would manage the Bonus Fund on behalf of the workers of those companies in Darjeeling, the Terai and the Dooars which were not in the membership of the Association. Accordingly, Rules have been drawn up for this fund and forms prepared for completion by those concerned. The establishment of an overall Board to watch over the general managements of all Funds, whether run by the Association, by Agency Houses or by the companies concerned is under consideration by the Chairman, Bonus Sub-Committee.

At the time of writing bonus for 1959 has been paid. In some cases there have been difficulties, but for the most part, considering the size of the undertaking and the problems which any new agreement must of necessity bring, disputes have been few and payment has gone smoothly.

Housing.—(1) General.—In view of the increasing pressure which was being exerted by State Governments on tea estates to build houses for their labourers up to the target of 8 per cent laid down in the Plantation Labour Act, the Consultative Committee of Tea Producer Associations last year submitted a memorandum to the Government of India asking them

- (i) to secure a reduction of the target of 8 per cent and to suggest to State Governments a more generous utilisation of the exemption provisions of the Act and Rules.
- (ii) to treat the building of pucca houses as qualifying for cent per cent development rebate, and
- (iii) to grant loans and subsidies for the construction of houses to the Plantations Rules specifications under the Industrial Subsidised Housing Scheme.

As no detailed reply had been received to this memorandum by the end of 1960, the Association suggested that the subject should be included in the agenda for the next meeting of the Industrial Committee on Plantations.

The Industry's proposals were accordingly discussed at the meeting of the Committee which was held on the 21st and 22nd September, 1961, when it was agreed that the Ministry of Labour and Employment would set up, in consultation with the Ministries of Works, Housing and Supply and Commerce and Industry, a working group to go into the whole question of finance and to devise ways and means to ensure the speediest possible completion of the housing programme.

(2) *West Bengal Housing Advisory Board.*—A meeting of the West Bengal Housing Advisory Board at which the Asso-

ciation was represented by Mr. A. C. H. Dolphin and Mr. T. J. Mathias was held on the 27th June, 1961, when consideration was given to the following subjects which had been put forward by the Association :—

- (a) construction of kutchra and semi pucca houses with thatched or tiled roofs.
- (b) adoption of "Assam Type" housing specifications.

The Board agreed that tea estates should be allowed to build "Assam Type" houses for their labourers, and the Chief Inspector of Plantations West Bengal confirmed that he would grant his approval in respect of all houses which had already been constructed to these specifications.

The Board also agreed that the housing specifications should be amended to provide for tiled roofs as an alternative material to those already prescribed.

The Board considered the Association's proposals that where the prescribed materials or finance were not available, tea estates should be allowed to construct kutchra and semi pucca houses with thatched or tiled roofs provided that they conformed to the approved specifications as regards size and layout, but decided that the matter should be further examined and discussed again at the next meeting of the Board.

(3) *Assam Housing Advisory Board.*—In a notification dated the 30th December 1960, which was published in the Assam Gazette of the 1st February 1961, the Assam Government issued further specifications in amplification of the housing standards already prescribed by them. Members were naturally concerned at the frequent changes which were being made in the housing specifications, especially as it appeared that some of the new specifications were unsuitable in certain respects. The notification was accordingly discussed by the Executive Committee of Assam Branch at a meeting held on the 3rd April 1961, when it was decided that one or two tea garden engineers should be asked to draw up suitable speci-

cations which, while being more practical, would also maintain the standard of construction which Government desired. When the Branch proposals in this connection are finalised they will be placed before the Assam Housing Advisory Board for acceptance.

The Assam Housing Advisory Board was reconstituted by the Assam Government by a notification dated the 22nd February 1961, and the Chairmen of the Assam and Surma Valley Branches were included as members of the Board. The Assam Branch Chairman was later replaced Mr. A. T. A. McIntosh Smith on the recommendation of the Branch.

In a notification dated the 1st March 1961, the Government of Assam approved the constitution of bipartite committees at garden and circle levels respectively to supervise the construction of houses and to examine the building programmes of estates. The Circle Committees will consist of two employers' representatives, one of whom it has been agreed should be the Circle Chairman and two representatives of the workers, while the garden committees will consist of the garden manager and two representatives each of the staff and of the labour.

(4) *Industrial Housing Schemes.* The Association continued to urge upon the Government of India and the State Governments, the need for granting financial assistance to the industry if it were expected to discharge its obligations in the matter of housing. To this end it was recommended that the Subsidised Industrial Housing Scheme should be extended to plantations and that houses constructed to the specifications laid down under the Plantations Labour Act, should qualify for assistance under the Scheme. It was also recommended that the provisions of the State Plantations Labour Housing Schemes relating to the provision of security etc., should be relaxed. No material progress was made in this direction, however, during the year under review; but at the tenth session of the Industrial Committee on Plantations, the Government of India agreed to set up a working group to go into the whole question of finance for housing.

Towards the end of the year the West Bengal Government enquired whether tea gardens would be interested in receiving loans for house building through the Life Insurance Corporation. When further details regarding these loans were requested, Government advised that they would be granted on the same conditions as were laid down in the West Bengal Plantations Labour Housing Scheme 1958, except that the repayment period would be 20 years instead of 25 years and interest would be 6% instead of 5%. As the Plantations Labour Housing Scheme had so far not been found attractive by members, it was considered unlikely that the new terms would make the scheme any more attractive to them and Government was informed accordingly.

Supply of Firewood for Labour.— (1) *Assam.* In last year's report it was recorded that a joint committee had been appointed by the Firewood Sub-Committee of the Assam Standing Labour Committee, to determine the quantum of firewood needed per person or per household. This joint committee carried out a cooking experiment on a member tea garden, on the basis of which the labour representatives put forward a claim for the supply of 16.2 cu. feet of firewood per month. The employers' representatives indicated that they could not accept the results of a single experiment and that tea gardens would be prepared to fix the firewood ration at 125 cu. ft. per annum or the equivalent per month, which was the quantum supplied in the Dooars. No agreement could be reached on this matter by the Firewood Sub-Committee and the matter will presumably have to be considered by the Assam Standing Labour Committee.

(2) *West Bengal.*—Despite several reminders issued throughout the year, the Association was unable to obtain an assurance from the Government of West Bengal that fuel bars established by tea estates for their own use would not be taken over by Government under the Private Forests Act.

A development of some concern to tea gardens was an order issued by the Conservator of Forests, Northern Circle, increasing the rate of royalty on firewood to double the schedule

rate. The Association protested to Government against this increase and the Consultative Committee of Tea Producer Associations has requested the Tea Board to take the matter up with the Forest Department and to secure the withdrawal of the Conservator's order.

Medical Services on Tea Estates.— Under the Plantation Labour Rules, tea gardens are required to submit periodical returns showing the progress being made by them in the matter of providing medical facilities to their staff and labour. The standards reached by members at the 31st December 1960 are recorded for information.

	Members' standards as at 31.12.60.	Plantation Labour Rules' Standards.
	<i>Per thousand workers</i>	
Hospital Beds ...	31.97	15.00
Doctors ...	1.31	0.57
Midwives ...	1.38	0.57
Nurses ...	1.97	1.43
Compounders ...	1.32	0.57
Anti-Malaria Health Assistants ...	0.78	0.48

Labour Relations.— In 1961, 47 strikes were reported from member gardens as compared with 41 in 1960. In 35 of these instances the stoppage of work lasted not more than one day while in two cases only the strikes continued for more than five days. The number of man-days lost decreased from 1,10,455 in 1960 to 53,976. The loss of production was estimated at 4,999 maunds of tea against a loss of 7,862 maunds of tea in 1960. A brief analysis of the statistics in respect of each district is given in the following paragraphs, in which for the purposes of comparison the corresponding figures for 1960 are shown in brackets

In the Assam Valley 9(14) strikes occurred involving 4,772 (10,817) workers; 7,361 (56,411) man-days were lost with a loss in wages of Rs. 28,560 (Rs. 1,01,906). Production losses amounted to 1,128 (2,891) maunds.

In Cachar there were 5(4) strikes and one lockout. The number of workers involved totalled 1,518 (1,676) and the man-days lost were 21,113 (2,772). The loss in wages amounted to Rs. 24,207 (Rs. 3,724). Production losses amounted to 2,041 (10) maunds.

In the Dooars there were 22(22) strikes involving 12,513 (39,785) workers. The number of man-days lost were 18,140 (51,141) and the wages lost amounted to Rs. 29,571 (Rs. 93,102). The loss in production amounted to 1,392 (4,911) maunds.

In Darjeeling 10(1) strikes took place in 1961 involving 2,795 (39) workers. The number of man-days lost amounted to 7,362 (131) while the loss in wages was estimated at Rs. 10,682 (Rs. 199). The loss in production amounted to 438 (50) maunds.

The Maternity Benefit Act 1961.— The Association's views on the Maternity Benefit Bill 1960, which was introduced in the Lok Sabha in December 1960, were submitted to the Joint Committee of Parliament in February through the Consultative Committee of Tea Producer Associations.

The main points which were made in the representation were as follows : —

- (i) in its endeavour to remove the disparities that exist between the various Central and State Acts, Government had incorporated in the new Act all the best provisions of the existing enactments and had also introduced certain additional benefits to the women workers viz. medical bonus and leave with wages for illness arising out of pregnancy, without taking into consideration the special circumstances of the

plantation industry and the facilities already provided to the workers.

- (ii) the proposal that maternity benefits should be paid at a rate equivalent to the "average daily wage or 75 nP per day whichever is higher" would mean that a woman worker would be entitled to three months' leave on full pay at frequent intervals in addition to other leave with wages. In view of the benefits and amenities available to the workers under the Plantations Labour Act and Rules, it was suggested that the current rates of maternity benefits should continue or that the benefits should be limited to 75 per cent of the average wage for the previous 12 months.
- (iii) as tea gardens provided elaborate medical facilities for workers and as these included pre-natal care, confinement and post-natal care, it was not necessary for a woman to receive in advance her maternity benefit for the period prior to the expected date of her delivery as was proposed in the Bill. For the same reasons the question of paying a medical bonus of Rs. 25 - would not arise.
- (iv) in view of the provisions of the Plantations Labour Rules relating to sick leave and annual leave with wages, it was unnecessarily generous to allow a woman six weeks' leave with wages at maternity benefit rates in the case of a miscarriage and an additional one month's leave with wages at maternity benefit rates in the case of illness arising from her confinement or miscarriage.
- (v) the new legislation would increase the wage bill and act as a disincentive to the employment of women.

The Bill as amended by the Joint Committee was passed by Parliament in November, 1961. It is regretted, however, that the Act, a copy of which is reproduced in the appendices to this report, made no concession to the views expressed by the Asso-

ciation and provides for the payment of maternity benefit for a period of twelve weeks at a rate equivalent to the "average daily wage or Re. 1/- whichever is higher." The Act will come into force, in so far as plantations are concerned, on such date as shall be notified by the State Governments.

Provident Fund.— (1) *West Bengal.*—Last year's report described the efforts which the Association had made to persuade the Provident Fund authorities to allow managers to make payments to resigning employees and to the heirs and dependants of deceased employees without having to apply to the office of the Provident Fund Commissioner for the monies required. As these efforts had proved infructuous, the Association suggested that the matter should be considered by the Industrial Committee on Plantations and the item was accordingly placed on the agenda for the meeting which was held on the 21st and 22nd September, 1961. At this meeting it was admitted that there had been seriously delays in payment of retired and deceased workers' dues and the Deputy Labour Minister, who was in the chair for this item, informed the Committee that steps were being taken to ensure that Provident Fund payments were made more expeditiously. The steps under consideration included,

- (i) the opening of local offices;
- (ii) grant of exemptions; and
- (iii) adoption of such features of the Assam Scheme as might be found practical.

On the assumption that the Government of India will agree finally to amend the Provident Scheme Rules to authorise managers to settle the accounts of members of the Fund on their leaving the service of the estate, the Darjeeling Branch put forward the following proposals which were passed on to the Central Provident Fund Commissioner:—

- (i) that form 4 of the Assam Scheme should be adopted, which would result in Forms No. 3, 10, 12, 18, 19 and 20 of the West Bengal Scheme becoming redundant.

- (ii) that Form 5 of the Assam Scheme should be introduced in place of the existing form No. 12. This form was considered most informative as it provides at a glance up-to date information of individual member's accumulations, while it would save the Regional Provident Fund Commissioner the trouble of preparing individual members' account sheets in the first instance. There would also be a considerable saving in time and labour as Form No. 5 of the Assam Scheme was only required to be submitted yearly as compared with Form No. 12 which had to be submitted monthly.

The Commissioner in reply stated that he had, after visiting Shillong, made a full report to the Government of India on the working of the Assam Scheme and put forward certain proposals for the simplification of the procedure under the Employees Provident Fund Scheme.

It is understood these proposals were discussed at the meeting of the Central Board of Trustees of the Employees' Provident Fund held on the 18th January, 1962, and the Association now awaits the decisions taken at the meeting.

(2) *Assam.* The Association continued to be represented on the Board of Trustees of the Assam Tea Plantations Provident Fund by the Shillong Adviser.

In last year's report it was mentioned that there was a growing tendency among tea garden managers to apply to the Provident Fund Office for funds required to meet the payment of the Provident Fund dues of employees about to retire and that it was feared that if this practice were continued, Government might withdraw the facility which enabled managers to pay Provident Fund dues and to deduct the amounts from collections.

In view of the obvious reluctance of managers to advance large sums of money, which it might take several months to

recover, it was suggested to the Trustees that managers might be allowed on occasion, to retain previous collections if the payment of large sums by way of refunds was anticipated. In a circular dated 8th April 1961, the Secretary to the Board of Trustees indicated that if managers gave at least thirty days' advance notice that they proposed to meet payments against collections in subsequent weeks, they would be permitted to collect something in advance against the repayment claims. As a result of this concession, it is hoped that managers will be able to restrict their requests for funds for the payment of Provident Fund dues to a minimum.

The Executive Committee of the Board of Trustees decided in April to alter the accounting year of the Fund from October/September to April/March. Managers were accordingly called upon to calculate interest at the rate of three per cent on members' balances as at 30th September 1960 and to submit their returns to cover a period of eighteen months from the 1st October 1959 to 31st March 1961.

At the meeting of the Board of Trustees held in August, the Executive Committee's decision regarding the change in the accounting year was accepted, but the Board decided that members should receive interest at the rate of three per cent for 12 months and that as the accounting period now covered eighteen months, the interest should be credited to members' accounts at the rate of 4½ per cent. This led to some inconvenience as managers had already submitted their returns in accordance with the earlier circular. Through the good offices of the Shillong Adviser, however, a procedure was drawn up which reduced the work which had to be done in this connection to a minimum.

The Board of Trustees fixed the 30th September 1961 as the final date by which the option to change from a Company Provident Fund Scheme to the Government Scheme and *vice versa* had to be exercised by clerical staff of tea gardens. The transfer of accounts, where such option was exercised, would take effect from the 1st January, 1962, where the accounting

year of the company provident fund scheme closed on the 31st December, 1961.

Labour Welfare : Assam.— (1) *Rowriah Welfare Training Centre.* Three training courses were held at the Rowriah Welfare Training Centre during 1961, and Agency Houses were asked to provide candidates from the gardens under their control.

(2) *Mazengah Training Centre for Women.*—One course was held at the Mazengah Training Centre by the Kasturba Gandhi National Memorial Trust during 1961, and Agency Houses were asked to provide one candidate each from gardens under their control.

The Assam Tea Plantations Employees' Welfare Fund Act 1959.

In a notification dated the 13th March 1960, the Government of Assam declared the 31st March 1961 as the last date by which all sums payable under sub-rule (1) of Rule 3 of the Assam Tea Plantations Employees' Welfare Fund Rules 1960 would have to be paid to the Welfare Commissioner appointed under the Act. This date was later extended to the 15th July 1961.

Tea estates were thereupon asked by the Welfare Commissioner to submit to his office, statements showing all "unpaid accumulations" as at 1st May, 1954 and any amounts held in suspense on 6th May 1960, and to pay to him the amounts involved by the stipulated date.

The Association accordingly advised members in circular letter No. 39 dated 27th March 1961 that in reporting details of their "unpaid accumulations" they should only declare unpaid wages etc., which fell due for payment after 1st May 1954 and which therefore became "unpaid accumulations" in a technical sense from 1st May 1957, and then only if these accumulations were contained in a distinct suspense account on the date the Act came into force viz. 23rd June 1960.

The interpretation of the term "unpaid accumulations" continued to present difficulties to members and advice was given from time to time on the various questions raised.

It was pointed out that unclaimed sums of rice cut compensation became "unpaid accumulations" under the Act three years after the Supreme Court's decision i.e. after September 1959. If these amounts remained in a separate account on 23rd June 1960, they would have to be treated as "unpaid accumulations" and paid over to the Welfare Commissioner.

Workers who had left the services of the garden before the 8th January 1956, when the Delhi agreement was signed, were not entitled to any bonus, so that amounts which would have been due to them for 1953, 1954 and 1955 under the Delhi agreement, had they remained in service, did not in fact become due to them and could never constitute "unpaid accumulations."

As under Notification No. GLR 584 59 of the 24th November 1959, the revised wage rates in the Assam Valley were declared to be inclusive of "all claims prospective or retrospective by way of compensation for reduction in the past in the quantity of foodgrains issued" it could be contended that from this date no further payments were due in respect of rice cut compensation and therefore the question of unpaid accumulations in this case did not arise.

As stated in last year's report, doubts had been expressed regarding the validity of the Act and that the matter had been brought to the attention of the Assam Government. During the year, however, tea garden managers relying on local legal advice continued to press the Association to obtain an authoritative ruling on this matter, if necessary, by reference to the Courts. The Association accordingly asked its solicitors to examine the Act and rules and to obtain Counsel's advice on their validity. This advice, which was issued to members in circular letter No. 72 of the 31st May 1961, was to the effect that the Act is not unconstitutional or otherwise void. Members were therefore asked to make the payments due to the Welfare Commissioner as soon as possible.

Appointment of Welfare Officers in Plantations.—At the Tenth Session of the Industrial Committee on Plantations held in September, 1961, it was agreed that the question of

appointing Welfare Officers on tea plantations should be considered at the next meeting of the Standing Labour Committee and the Government of India, Ministry of Labour and Employment therefore asked the Association in November to submit its views on this subject.

In reply it was pointed out that this subject had been discussed at the 6th Session of the Industrial Committee on Plantations, which had been held on the 19th/20th July 1954 and that the labour leaders had at that time expressed themselves in complete agreement with the views put forward by the Association's representatives, and had joined in a recommendation to Government that the provisions regarding Welfare Officers should be excised from the Plantations Labour Rules.

This recommendation had been made because it had been felt that if it were intended to have Welfare Officers, men should be chosen who would have influence with labour, with management and Government. It had been considered that the "subordinate" or "ministerial" type of officer would not be suitable nor would it be suitable for small gardens to employ their own officers as this would inevitably result in the employment of a large number of individuals, few of whom would be competent to discharge their duties. If appointments of this type were to be made, they should be on the basis of the group and from the right type of man.

As the Association's views remained substantially the same, it was recommended that the proposal to appoint welfare officers on tea plantations should be deferred.

Holidays With Pay.— As a result of the September, 1950 agreement with the Dooars Chai Bhagan Mazdoor Sangha, it was agreed that in addition to the two national holidays, employers would give three festival holidays per year with pay - two at the Durga Puja and one at the Kali Puja, provided that the workers performed a day's work on the next working day after the holiday. This matter was, however, one which was included in the Charter of Demands from the Dooars Cha

Bagan Workers Union and was subject to discussion at the various conciliation meetings which took place during the year— which are mentioned elsewhere in this report. Throughout these meetings, the industry maintained that they could not grant further concessions over and above those which had already been given in September, 1960, and it was pointed out that festival holidays were in addition to leave with wages. It was considered, therefore, that manual workers were receiving not ungenerous paid holidays already. As discussions developed, it became clear that the Unions were pressing this matter strongly and that there was a likelihood that, if some agreement were not reached, the matter might be referred to adjudication. There had been an Industrial Tribunal award in another industry laying down nine festival holidays, and in discussions at meetings of the Darjeeling and Dooars Sub-Committee and the General Committee, it was felt that if five festival holidays plus two national holidays were not given, a tribunal might lay down nine holidays in all. Darjeeling already gave seven holidays per year, and there was some merit in the view that in the Dooars, which was in the same State as Darjeeling, a similar number of holidays should be given.

Throughout these prolonged negotiations, close touch was kept with the Indian Tea Planters' Association, and it was finally agreed that, with effect from 1962, seven paid holidays should be allowed during the year. The holidays would be granted as follows :—

Durga Puja	2 days
Kali Puja	1 day
Lakshmi Puja	2 days
National Holidays	2 days : 26th January and 15th August.

It was also stipulated that payment for these holidays should be made in accordance with existing practices namely, that if a garden procedure was (i) that the workers must appear on the day before the holiday, that practice would continue, (ii) that workers must be present on the day after the holiday, that prac-

tice would continue, or (iii) that workers must be in attendance before and after the holidays, that practice would also continue. Members were informed of this decision in circular letter No. 141 dated 28th September.

In connection with the celebration of Gandhi Jayanti, the Government of India issued a recommendation that October 2, 1961, should be declared as a paid holiday for all workers. The Association considered this matter, and decided that as a definite number of paid holidays had been agreed to with workers, a paid holiday on the 2nd October could not be given.

Leave for Workers Attending Conciliation Proceedings.—One of the matters raised in the conciliation meetings to discuss outstanding disputes raised by the unions in the Dooars was leave for workers attending conciliation proceedings. It was alleged that, although the West Bengal Labour Advisory Board had recommended that no more than three genuinely affected workers should be allowed to attend conciliation proceedings without loss of pay, this recommendation had not been accepted by employers.

The Darjeeling and Dooars Sub-Committee and the General Committee considered the matter and, although initially it was agreed that employers would be prepared to pay the wages of three of their own workers to attend conciliation proceedings in connection with the garden concerned, it was finally decided at a conciliation meeting held in July, that up to three workers from the garden concerned in the dispute might be paid wages when attending conciliation proceedings, a worker from another garden, who was a union representative, might also be allowed wages provided that the Conciliation Officer was satisfied that the dispute was an important one, involving several gardens and as such would reasonably attract negotiations at Branch or Association level.

Eviction of Dismissed Workers.— Reference has already been made in this report to the compromise agreement with the Darjeeling District Chia Kaman Mazdoor Union concerning the eviction of dismissed workers.

This matter came up at the 10th Session of the Industrial Committee on Plantations held in September, and in the official note on the meeting it was recorded that the Committee re-iterated its earlier decision taken at the 8th Session that the dismissal of the family head should not result in the discharge of other members of the family; if there were complaints in this regard, they would be disposed of by the State Government.

Clerical and Medical Staff.—(1) *Pay Scales in Assam.*—The Assam Cha Karmachari Sangha continued during the year to press its case for a revision in the scales of pay of clerical, medical and artisan staff in Assam. The main objective of these representations was to equalise the scales of pay and allowances in Assam with those applicable in the Dooars. The Association gave detailed consideration to all the proposals put forward by the Sangha but was unable to agree to any change being made in the wage structure while the Wage Board was in session for the following reasons :

- (a) the insistence of the Sangha that any change in the salary scales for clerical and medical staff should be accompanied by an increase in the emoluments of of artisans, although these emoluments in Assam were far in excess of those given to similar employees in North Bengal.
- (b) the other tea producing associations in Assam, who paid considerably lower remuneration to their clerical staff than members of the Association, had objected strongly to any change being made in the wage structure while the Wage Board was sitting, it having been agreed unanimously at the 9th Session of the Industrial Committee on Plantations that no changes should be made pending the final decision of the Wage Board.

(2) *Letters of appointment for staff in Assam.*—During the year the Association gave consideration to the question of whether it was necessary to enter into negotiations with the

Assam Chah Karmachari Sangha with a view to drawing up new letters of appointment for clerical and medical staff, which would include provision for a retiral age, and it was decided that there was no need for such action. The model letters of appointment previously drawn up by the Association were issued for the guidance of members only, and it was open to them to insert clauses covering additional terms and conditions of service, such as a retiral age, if they so desired.

(3) *Retiral Benefits*.—One of the items considered at the conciliation meetings for the Dooars disputes, referred to elsewhere in this report, was retiral benefits and age of superannuation. At a meeting with the Labour Commissioner, West Bengal, held in January, this matter divided itself into two sections, that relating to clerical and medical staff and that relating to workers. So far as clerical and medical staff were concerned many companies already had schemes, but there was no uniform scheme for the industry and there was no agreed age of retirement. It was ultimately agreed at this meeting that staff retiral benefits were to be looked into by both sides and, in respect of retiral age, employers suggested 55 years of age, with the manager having discretion to grant extensions up to the age of 60 when retirement would become obligatory. It was also agreed that those present would look into the possibilities of laying down some uniform agreement for workers.

These matters were re-considered at conciliation meetings in February, May and July, and in respect of retiral age, it was agreed finally that it should be 55 years for clerical and medical staff, but that annual extensions might be granted at the discretion of the managers. Those companies which already had a scheme of retiral at 55 years, should be allowed to retain it, subject to the same discretion. If there were no provision, however, the retiring age would be 58 years allowing for annual extensions up to 60 years of age. At the July meeting, the Association's representatives, while stating that individual companies should be left to arrange their own individual schemes of retirement benefits for clerical and medical staff,

offered to lay down the following minimum for staff employees, namely the total of—

- (i) the accumulation of employers' contribution to the Provident Fund, plus
- (ii) the actuarial value of any pension granted, plus,
- (iii) any retiring lump sum gratuity.

should not be less than the equivalent of one month's final basic pay for every year of service or thirty months' basic pay whichever was less.

The offer was turned down, however, by the unions because they considered that provident fund contributions should not affect the issue. The Association's representatives were asked to consider a proposal involving a similar minimum, but ignoring the question of provident fund contributions. Accordingly the following scheme was prepared on the basis that tea companies will continue to organise their own schemes of retirement benefit for clerical and medical staff, but that the following minimum for each individual will be guaranteed :—

The total of—

- (i) the actual value of any pension granted,
- plus,
- (ii) any retiring lump sum gratuity

shall not be less than the equivalent of half a month's final basic pay for every year of service or of fifteen months' basic pay whichever is less. The minimum scheme was to be applicable only for as long as provident fund contributions remained at their present level. This offer would not, however, be applicable to Darjeeling.

Further discussions with Government and the Unions are awaited.

Clerical and Subordinate Staff Bonus.— Reference has already been made to the Bonus Agreement for the years 1959, 1960 and 1961 which covered not only labour, but also sub-staff and monthly-rated workers, and medical and clerical staff.

At one stage in the discussions it was felt in certain quarters that it might be desirable to have a separate agree-

ment covering clerical staff. After detailed consideration however, it was eventually decided that in order to avoid the difficulties of the past, labour and staff bonus might be calculated on the same profit basis. Details of how this principle was eventually applied are referred to elsewhere in this report.

Medical Advisory Boards: (1) *Assam.*--The "standard diet" chart for tea garden hospitals which had been drawn by the Association in consultation with the Assam Branch of the British Medical Association, was approved by the Assam Medical Advisory Board at its meeting held on the 15th March 1961 subject to an increase in the quantum of mustard oil from 10 grammes to 25 grammes. The revised diet chart was issued to members under circular letter No. 97 of the 14th July 1961.

The list of drugs etc. for use in tea garden hospitals, which had been prepared at the instance of the Principal of the Ross Institute by the Assam Branch of the British Medical Association was also examined by the Medical Advisory Board at its meeting on the 15th March 1961 and was finally approved subject to certain additions and amendments. The revised list was issued to members in circular letter No. 76 dated 8th June, 1961.

At a meeting of the Medical Advisory Board held in September 1958, it had been agreed that where workers suffering from illness could not, in the opinion of the Principal Medical Officers, receive adequate treatment on the garden, employers should be under an obligation to send them to suitable hospitals within the State of Assam so that they could receive treatment up to the standards expected from Group Hospitals, as contemplated in the Plantations Labour Act and Rules. For this purpose the Association had prepared a list of hospitals, which it was considered would be able to provide the treatment envisaged and had submitted it to the Chief Inspector of Plantations for approval. The list was examined at the meeting of Medical Advisory Board held on the 15th March 1961, when it was decided that full particulars should be collected regard-

ing these hospitals before approval was given. The Shillong Adviser has arranged for the collection of the data required by Government.

(2) *West Bengal.*—Two meetings of the West Bengal Medical Advisory Board were held in 1961. The Association was represented at the first meeting, which was held on the 25th January 1961, by Mr. I. F. Morriss and Dr. A. T. Bromley and at the second which was held on the 29th November 1961 by Mr. A. F. Macdonald and Mr. T. J. Mathias.

The main subjects considered at these meetings were as follows :—

List of Drugs, Equipment etc.—The Board appointed a Sub-Committee to prepare a list of drugs, equipment etc. which could be prescribed for maintenance in tea garden hospitals. The Association was represented on the Sub-Committee by Dr. Bromley. The Assam list of drugs etc. was put forward as a basis for consideration.

Incidence of Hookworm.—The Association maintained that hookworm was not a major problem in the tea districts. Its prevention had to be considered with other diseases propagated through faeces. From the public health point of view, the only useful and practical method of mass control was to provide sanitary latrines and to ensure their constant use. Tea gardens were providing sanitary latrines as laid down under the Plantations Labour Rules and the disease would disappear when the labour learnt to use consistently the facilities provided for them.

Ratio of Doctors and Medical Staff to Workers.—The Association's representatives resisted the suggestion that the number of doctors needed to be increased in view of the amendment to section 10 of the Plantations Labour Act which provided for medical facilities to be made available to workers' families. The half-yearly returns of medical facilities on tea gardens for the period ended 30th June 1961 showed that the

number of doctors employed was considerably in excess of prescribed standards and in any case existing hospital facilities were not fully utilised on many gardens and it was quite unnecessary to increase them further.

Training of Health Assistants.— The Chabua Health Centre of the Assam Medical College, as in the past, offered five seats to tea garden candidates at the Health Assistant's Course which commenced on the 1st May, 1961; but unfortunately no candidates were nominated by members.

Towards the end of the year, as there appeared to be some interest in this matter, the Principal of the Ross Institute advised the Association that he would be prepared to conduct another Health Assistants course on the lines of that held in January, provided that he was assured of adequate support from members. A circular was accordingly issued to members to ascertain how many candidates they would send if a course were held in the cold weather of 1961-62.

Industrial Dispute Act: Retrenchment Compensation.—The award of the Industrial Tribunal in the Subong Tea estate case, which was published in the Assam Gazette of the 4th October, 1961, contained two important points on the subject of the payment of retrenchment compensation, pensions and gratuities.

The Tribunal ruled—

- (i) that when an estate was sold the vendee had the right to exclude particular employees from his undertaking and to continue the services of such existing employees as he desired. In such a case the vendor was entitled to retrench the unwanted employees whether or not they were the last to join service and to pay them simply the retrenchment compensation, laid down under the Industrial Disputes Act.
- (ii) that such retrenched employees were not entitled as of right to *ex-gratia* pensions or gratuities in

addition to the retrenchment compensation in the absence any existing scheme or proved practice entitling them to such payments.

Assam Factories Rules.— In a notification dated the 6th November 1961 the Assam Government brought into operation Rules 29 to 33 of the Assam Factories Rules which relate to artificial light, standards of illumination and prevention of glare and rules 62 and 64 which deal with the provision of washing facilities and ambulance rooms.

Recruitment of Labour in Assam.— In last year's report it was recorded that the Tea Districts Labour Association had been wound up and that the Assam Branch had drawn up a scheme for the transfer of labour from surplus to deficit estates in Assam. This scheme was brought into force in January 1961 and, after a hesitant start, worked satisfactorily throughout the year. The Branch has now collected information regarding vacancies and surplus labour and is preparing its plans for recruitment for the 1961-62 season. Current figures indicate that there are 18,392 surplus workers available in the Assam valley against a total demand for 2,172 new workers.

The rest centres at Gauhati, Kathihar and Ranchi which the Association took over from the T. D. L. A. to provide facilities for the repatriation of emigrant labour were maintained by the Association, but it is understood that they have been used very little.

Family Planning.— The steady increase of the number of resident workers on tea gardens has pointed to the need for a vigorous and systematic family planning campaign to curb the rising birth rate which better housing, increased medical facilities and better terms and conditions of service have brought.

During the year under record, the Association has devoted much of its time to family planning and has worked in close conjunction with the Ross Institute of Tropical Hygiene. Dr. Alan Gilroy, its Principal, has thrown himself enthusiastically into this work.

Early in the year a meeting was convened by the Assam Branch, which was attended, in addition to Branch representatives, by a large number of Principal Medical Officers to discuss family planning. It was agreed that a Working Committee should be formed for the purpose of collecting facts and figures and to advise how best a family planning scheme could be put into operation. A Family Planning Working Committee was also formed which held various meetings throughout the year the Secretary of which was the Assam Branch, Zone 2, Secretary. Replies to a questionnaire, which had been issued to medical officers concerning family planning, were tabulated and considered by the Working Committee. The data collected showed the birth and death rates per mille as 43.4 and 12.9 respectively. Further information was also collected concerning the mother's age at the time of confinement and the result of the confinement. Arrangements were also made with the General Secretary, Family Planning Association of India, for a touring team consisting of a lady doctor, a social worker and another member to hold a training course in family planning at Jorhat for the training of Health Visitors. The course was held in June at the Rowrah Training Centre, and was followed by a Seminar to discuss family planning at which personnel officers and others interested were present. The course was most useful and immediately it had finished, a meeting of the Family Planning Working Committee took place. The whole question of family planning was discussed and the main points which emerged were that (i) union leaders should be requested to help in promoting propaganda, (ii) propaganda should take the shape of visual pictures, (iii) models should be available at garden hospitals in out-patient wards, and (iv) a full time social worker should be appointed on every garden. As a result of this meeting a policy statement on family planning was drawn up and signed by the Chairman of the Association, the Assam Tea Planters' Association, the I.N.T.U.C., and the Chief Minister of the Government of Assam. Printed copies of this statement, both in English and Hindi were sent to members in Assam so that wide publicity could be given to this matter. It was further decided that a pilot scheme for family planning should be introduced.

the first step being the appointment of a social worker. Eventually, the Association was fortunate in obtaining the services of Miss Kalsi, the Principal of the Rowrah Training Centre, who is now undergoing training. She, in turn, will train others in family planning.

A visit of the touring team of the Family Planning Association was paid to Darjeeling in September, training imparted to nurses and midwives, a seminar held and lectures given to assistant medical officers, garden managers and others. The course was a great success and a large number of managers and assistant managers attended the seminar.

The Dooars Branch has also been active in this matter, and a meeting of Branch officials and Chief Medical Officers was held in February at which Dr. Gilroy was present; in due course a Family Planning Committee similar to that in Assam was set up. A questionnaire was also issued to members eliciting information on family planning. It is hoped that it may be possible for the touring team to visit the Dooars during 1962.

During his visits to Delhi the Chairman discussed family planning with Col. B. L. Raina, the Director (Family Planning) Ministry of Health on a number of occasions. Information was received that Government had no objection to the payment of Rs. 20/- as bonus for sterilisation; but were unwilling to make any changes in the maternity benefits payable to tea garden labour. The Association is now in the process of making a representation to the Tea Board that the costs involved in its family planning scheme should be met by the Board.

Employment Problems.— (a) *Assam*.—In last year's report it was recorded that the Assam Government had appointed a screening Committee to examine the applications which had been received by them from candidates seeking employment in the tea industry and that at its meeting held in December 1960 the Committee had selected 30 candidates for possible interview by Agency Houses. During the year the Association

arranged for each candidate to be interviewed by at least two Agency Houses, but unfortunately the majority of the candidates were found to be unsuitable and only six were finally appointed.

In September 1961 the Screening Committee was reconstituted and now consists of the following :—

- (i) Mr. S. N. Barua—Government of Assam's Employment Officer,
- (ii) Dr. B. K. Barua—Dean of the Faculty of Arts, Gauhati University,
- (iii) Dr. H. K. Barua—Dean of the Faculty of Science, Gauhati University,
- (iv) an I.T.A. representative at present the Hon. S. P. Sinha,
- (v) a tea planter nominated by the I.T.A. the zonal Chairmen will take it in turn to fill this seat.
- (vi) Labour Officer, Gauhati, as Secretary,

This Committee held a meeting on the 12th and 13th October 1961 and interviewed 126 candidates of which only seven were considered suitable for possible interview by Agency Houses. As before, arrangements were made for each candidate to be granted at least two interviews and up to the time of writing two candidates have already been appointed by Tea Companies.

The Association continued to be represented on the State Committee on Employment, Assam, by the Shillong Adviser.

In April 1961, the Director of Statistics, Assam announced that his Government had ordered a Sample Survey to be carried out to find out to what extent plantation operations had been transferred to contractors in estates in Assam. The selected gardens were asked to ensure the prompt submission of their replies to the Director's questionnaire.

(b) *West Bengal*.—Mr. P. Crombie, the Calcutta Adviser represented the Association during the year under review on the West Bengal Government's Committee for the collection of information on the employment position in tea plantations in West Bengal. The draft questionnaire, prepared by the Committee, was finalised and issued to tea garden managers, who were requested to provide the information asked for by the committee in so far as it was available.

By a resolution dated the 31st August, 1961, the Government of West Bengal reconstituted the District Committee on Employment for the district of Darjeeling and the Association nominated the Secretary of the Darjeeling Branch as its representative on the Committee.

In last year's report it was recorded that the Association had suggested to the Government of West Bengal that they should include in the agreements of contractors engaged on public works in the tea districts, a clause requiring them to give preference in employment to unemployed labourers resident on tea gardens. Government replied however that they were unable to give any special preference in employment to unemployed labourers resident on tea gardens; but there were general instructions to employ local labour as far as possible in P.W.D. works, and unemployed labourers on tea gardens were considered as local labour in their districts. In acknowledging Government's advice the Association indicated that it would welcome an assurance that neither Government nor its contractors would import workmen into the Jalpaiguri district to undertake work which unemployed local labour—including those on tea gardens—could do. The assurance has not yet been received.

Land Requisition in Assam.— Although the Association had submitted a list of surplus land on tea gardens for requisition by the Assam Government, the requisitioning authorities continued to issue orders of requisition on tea estates, which allegedly had surplus land under the 1:2 formula, without giving managers an opportunity to explain their cases. When

the Chairman, Tea Board, visited Shillong in June, he discussed this matter with the Minister of Labour and Industries, who gave an assurance that district officers would be reminded of the directions previously laid down namely, that where it was necessary to requisition land in any area, Circle Chairmen would be consulted, that consideration would be given to the list of areas suitable for requisitioning submitted by the Association and that ground under proper forest cover would not be requisitioned. He also agreed that land suitable for tea cultivation would not be requisitioned and that in cases of dispute, the Chairman, Tea Board, might be asked to arbitrate. It subsequently appeared, however, that the Revenue Department, which was directly concerned in this matter, was not prepared to issue a directive to district officers advising them not to requisition land suitable for tea cultivation as it was feared that if such a directive were issued, it might not be possible to requisition any land. The Department agreed, however, to take into account the future needs of each garden when its case came up on appeal and where the plans of the company to extend were more or less finalised. As there remains some uncertainty on this matter the Chairman of the Tea Board has agreed to take the matter up once again with the Assam Government.

Another problem on which the Association sought the assistance of the Chairman, Tea Board, related to the payment of compensation for land requisitioned in the past. Although the Labour and Industries Minister indicated that a sum of Rs. 15 lacs had been set aside in the budget for the payment of arrears of compensation, no payments to tea gardens have been forthcoming. The Association has therefore submitted a complete list of the outstanding cases in Assam to the Chairman of the Tea Board, to enable him to pursue the matter with the Government of Assam.

Compensation for Land Requisitioned for Oil Drillings and Railway Extensions.— In last year's report it was recorded that the Association had entered into negotiations with the Assam Oil Co., Ltd., on the question of compensation rates for land requisitioned for the drilling of oil wells etc. in Assam, and that

the Association's proposals were receiving the consideration of the Company.

In due course the Company indicated that they accepted in principle, the compensation rates proposed, but were of the view that the compensation payable, for both replaceable and non-replaceable tea, being a capital receipt in the hands of the recipients, should be discounted to the extent of 38 per cent, being the rate of tax applicable to agricultural income. The matter was considered by the Finance and Taxation Sub-Committee, who agreed that the 'consequential loss of revenue' element in the compensation rates proposed should be reduced by an amount equivalent to the agricultural income tax which would be payable by the company.

The Sub-Committee's advice was accepted by the Association and revised tables of compensation rates were drawn up and submitted to the Oil Company who accepted them in due course. Copies of these revised tables were issued to members in Circular No. 104 of the 14th August 1961 and are reproduced in the appendices to this report. It is hoped that these revised rates will also be acceptable to the railway authorities in so far as land requisitioned for railway extensions is concerned.

In West Bengal, representatives of the Burma Oil Co. (Pipelines) Ltd., consulted the Association on the proposed alignment of the oil pipe line from Nahorkatiya in Assam to Barauni in Bihar. As a result of these consultations it was possible to select a route through the Dooars which would as far as possible avoid all tea, labour lines, buildings etc. and cause the least inconvenience to the tea gardens concerned. As the land involved in these operations will be acquired by the Government of West Bengal under the Land Acquisition Act, the Association prepared tables of compensation rates similar to those for Assam and submitted them to the Land Acquisition Collector, Jalpaiguri for acceptance.

Introduction of the Metric System of Weights and Measures : Weight Tolerances for Tea Packages.— In the course of the year, the Standing Metric Committee and the Tea Board requested

the Association's views on the maximum errors which should be tolerated in marking the nett weight on chests and packages of tea of various sizes.

The Association agreed that the weights of package teas should be subject to legal inspection and check from time to time because these teas were wholesaled and distributed on the basis of their marked weights and it would be seldom if ever that a customer, either retail or wholesale, would call to question reputable distributors' stated weights. In fixing tolerances, however, it would have to be borne in mind that the weight of tea could vary considerably according to the moisture content of the surrounding air and that allowances would therefore have to be made to cover all variations in weight which might result when packages of tea were transferred from a damp area to a dry area and *vice versa*. It was accordingly suggested that this problem should be referred to an expert organisation for investigation.

The Association explained that garden teas were delivered to Calcutta over very lengthy transit distances and were therefore subject to weight changes not only due to hygroscopicity but also to transit losses, which were entirely outside the control of the original packers. The teas, however, were only sold to customers on the basis of actual weighments and it was immaterial whether the original weights shown on the chests bore any relation or not to the sold weights at the time of delivery. In the circumstances it was suggested that it was unnecessary for maximum tolerances to be fixed in respect of garden teas packed in chests.

This matter was discussed at a meeting convened by the Tea Board which was held on the 22nd November 1961 when it was agreed that—

- (i) original garden-packed tea chests should not be check-weighted by weights and measures inspectors.
- (ii) re-packed tea chests and package teas should not be check-weighted by weights and measures inspectors except at the point of packaging/repacking; and

- (iii) for the purposes of check weighing at the point of packaging/repacking the maximum permissible errors should be $\pm 1\%$.

Import and Export Policy Committee.— By a resolution dated the 30th March 1961 the Government of India, Ministry of Commerce and Industry, set up a Committee under the Chairmanship of Sir A. Ramaswami Mudaliar to review afresh the import and export policy and procedures. In June 1961, the Committee issued a questionnaire to all concerned and the Association submitted replies, which are reproduced in the appendices, to those questions on which it had experience.

As far as the import policy was concerned, the Association suggested that there should be liberalisation of the grant of licences to established importers as this would enable tea gardens to obtain spare parts etc. quickly in case of need and would obviate the delays and difficulties which were experienced in importing these items as actual users. As an alternative, it was suggested that tea gardens might be issued blanket licences to cover the import of spares. On the question of obtaining imports from rupee payment countries, the Association pointed out that tea gardens preferred to obtain their requirements of prime movers, alternators and essential machinery from their usual suppliers because machinery from the Eastern European countries was often found to be unsuitable and was not backed with the necessary service facilities.

As far as the export policy was concerned the Association suggested there should be an expansion of propaganda on behalf of tea in India as well as in the principal export markets such as the U.K. and the U.S.A. It was recommended that the export duty on tea should be abolished or at least reduced and that excise duty should be refunded on exported teas. The withdrawal of the Assam Carriage Tax and West Bengal Entry Tax was also advocated.

On the question of the possibility of the Industry achieving its target under the Third Five Year Plan, the Association

expressed the opinion that the target could only be achieved if the industry were given adequate practical incentives to increase its present output.

Import of Tractors : Exemption from Duty.— Tractors, used for agricultural purposes, are exempt from the payment of excise and import duties. Tractors used by the tea industry could claim similar exemption from these duties if the tea gardens concerned obtained certificates from the District Agricultural Officers to the effect that the tractors being imported would be used for agricultural purposes only. During the year the customs authorities rejected several applications for exemption from duty from tea estates on the grounds that the tractors were used for haulage purposes. The Tea Board took the matter up with the Government of India on behalf of the industry; but Government "regretted their inability to extend the scope of 'agricultural purpose' to cover haulage and other similar work involved in tea estates". In the circumstances the claims for exemption from the payment of duty in respect of tractors imported by tea gardens could not be admitted. This decision was disappointing and the Association has asked the Chairman, Tea Board, to take up the matter once more on the grounds that tea garden tractors are used for such work as uprooting tea bushes, preparing and clearing land, repairing roads and for irrigation, haulage work being only incidental to the main agricultural operations.

Foodgrain Supplies : 1961.— Messrs. Steel Brothers & Co., Ltd. continued to act as the Association's Agents for the procurement of foodgrains for tea gardens in West Bengal and Assam and during the foodgrain year ended the 31st October 1961, they delivered 42,000 tons of grain to tea estates as follows :—

		<i>Rice</i>	<i>Wheat</i>
Assam	...	10,000 tons	2,000 tons
Bengal	...	18,000 tons	12,000 tons
		<u>28,000 tons</u>	<u>14,000 tons</u>

Bengal.—The bulk of the rice supplies purchased last year were obtained from Orissa, although some 6,000 tons were obtained from Central Government stocks in Calcutta. The average cost was just under Rs. 57/75 per quintal landed on the garden, which is equivalent to approximately Rs. 21/50 per maund.

Despite difficulties in obtaining wagons at the beginning of the season, the monsoon requirements were delivered to the tea gardens in good time.

Wheat was obtained from Central Government sources in Calcutta without difficulty.

Assam.—Throughout the year prices in the local markets continued to rule at a relatively low level with the result that labour preferred to buy outside instead of taking grain from the garden godowns. In consequence, a further fall in rice offtake in the circles served by Messrs. Steel Brothers was recorded. All the supplies needed were purchased in Assam at the Government controlled rate which averaged Rs. 63/50 per quintal (Rs. 23/70 per maund) landed on the garden.

The demand for wheat was negligible because, as a result of the Government subsidy on the cost of transport from Calcutta to Assam, supplies were available in the local markets at prices far below the Association's selling prices.

Khet Assessment.— Early in the year the Supply Department of the Government of Assam advised the Association that it was Government's desire that the present practice of making adjustments in respect of khetland produce should be discontinued and that rice should be issued to labour in 1961 on the basis of requirements.

The Association strongly opposed this proposal. It was explained that the practice of adjusting the issue of rice to take into account khetland produce had been brought into force when rationing was introduced during the War, and it would be

wrong for a full issue of rice to be issued to those who grew their own supplies. The additional demand, which such an arrangement would give rise to, might amount to 12,000 tonnes in a year of scarcity; and, apart from the physical problem of obtaining such a large quantity of rice at such a time, the strain which would be imposed on the communications system in moving these supplies, would have serious economic effects on industry generally in Assam.

In August, when the Chairman and Deputy Chairman were in Shillong, they took the opportunity of discussing this matter with the Chief Minister to whom they explained the Association's concern over Government's policy regarding khet assessment. The interview was followed up with the submission of a memorandum outlining the history of the matter and explaining the disadvantages of Government's proposals.

Despite all the cogent arguments put forward by the Association, Government continued to insist that the practice of adjusting khetland produce should be discontinued. The Association has not accepted their direction, as it has no statutory basis.

Coal Supplies.— The coal requirements of member gardens in North Bengal, Cachar and Assam Valley for 1961 were :—

79,529 tonnes for North Bengal gardens
(Dooars, Terai and Darjeeling)

17,363 tonnes for Cachar gardens

92,092 tonnes for Assam Valley gardens.

Coal for North Bengal gardens was transported by the Indo-Pakistan rail route via Haldibari. The all-India rail route via Garhara, which was used in the previous year for transporting a portion of the Industry's coal requirements, was not utilised this year as the limited capacity of this route was reserved for movement of goods other than coal, most of it on Government account. Despatches were made by block rakes of 60 broad gauge wagons each, of which the Association was allotted a fair share and, although there were many cancellations and restrictions imposed by the Railways during the season, it

was by means of this method of movement that early completion of the season's coal requirements was made possible; the major portion being landed on the gardens well before the commencement of manufacture and the balance by the end of August. The total quantity of coal despatched to North Bengal gardens during the year was approximately 80,000 tonnes.

As in the previous year, Messrs. Steel Brothers & Co., Ltd., continued to undertake the task of inspection of coal consignments at the transshipment point at Haldibari and to report on the quality on the Association's behalf. Reports on consignments containing an unduly high percentage of dust were passed on to the suppliers for their investigation and, although these measures have not resulted in the elimination of dust entirely from consignments of coal booked to tea gardens, there are indications that the quality of coal supplied to gardens in North Bengal during 1961 has been better than that supplied in the previous year.

In the past the Industry had been allotted Selected Grade "B" coal for manufacturing purposes, but in June 1960 the Ministry of Steel, Mines and Fuel decided to revise the grade of coal to be supplied to the tea industry, to Grade I. The Coal Controller, however, in view of the difficulties pointed out to him, very kindly agreed to allow the Industry the use of Selected Grade "B" coal during 1961. It was emphasised however that for the following year only Grade I coal would be allotted, except for gardens in the Darjeeling area situated at an altitude of 3,500 feet and above which would continue to receive Selected Grade "B" coal.

The accumulation of stocks for the coming season, though satisfactory, is not proceeding as well as it did in the previous year. Despatches against 1962 commenced in the first week of September 1961 and up to the end of January 1962, a total of approximately 34,000 tonnes had been despatched compared with 40,000 tonnes despatched during the same period in 1961.

Supplies to Cachar gardens, as in the previous year, were from Assam collieries but, as usual, despatches did not keep

pace with manufacturing requirements and arrangements had to be made for supplies of Bengal coal. The main difficulty in supplying coal from Assam collieries to the Surma Valley is one of transport. Only a limited number of wagons can operate on the hill section of the Railway and almost all the available wagons are utilised by the N.F. Railway. Early in March, the Coal Controller was apprised of the situation and requested to sanction the release of 6,000 tonnes of Bengal coal to make up for the poor despatches from Assam collieries. It was not until the end of May however that the Coal Controller eventually agreed to sanction the movement of 3,000 tonnes of Bengal coal, and arrangements were made with the Joint Steamer Companies to ship this quantity of coal from Calcutta to Cachar between the months of July and September. The total quantity of coal despatched to Cachar from all sources, including 3,000 tonnes from Bengal, was 15,813 tonnes i.e. 91% of the total indented quantity. There were complaints regarding the quality of coal supplied from Assam, particularly coal from the Khasi mines. In addition to this, gardens in Cachar, as there was no other market, have been forced to accept some in-transit coal which has been lying at the Indo-Pakistan border since 1957 and which has deteriorated in quality as a result of long exposure.

For Assam Valley gardens, allocations from Assam collieries were as follows : —

Ledo	32,459 tonnes
Dilli	4,118 ..
Jeypore	4,118 ..
Nazira	4,118 ..
Koilajan	4,118 ..
Khasi	42,517 ..

Deliveries were made by rail from the collieries in Assam to the various depots maintained by the Assam Branch which arranges final distribution to gardens. Supply of Khasi coal was made both by rail and by river from Gauhati through the

distribution arrangements of Messrs. Steel Brothers & Co., Ltd. The total deliveries to Assam Valley gardens from coalfields in Assam during the coal year from 1st September 1960 to 31st August 1961 amounted to 87,957 tonnes or 95% of the total indented quantity.

Iron and Steel.— Last year Government relaxed control over the distribution and procurement of all steel sections but in March, 1961 they decided to impose quantitative restrictions on the supply of those categories because uncontrolled demands had made it difficult for manufacturers to plan their production. As far as is known these restrictions did not have any effect on tea estate requirements. The procurement of galvanised sheets, black sheets (16 gauge and thinner) and wire continued to be governed by quota certificates, which were issued on the recommendation of the Tea Board.

Cement.— During the year the supply of cement to tea estates continued to be under the control of the Regional Cement Officer, State Trading Corporation of India Ltd., who allotted permits on the basis of applications submitted through the Tea Board.

The supply position deteriorated considerably during the year and tea gardens only received authorisations for about 29 per cent of their requirements, the quarterly quotas allotted being as follows:—

	<i>Demand</i> <i>Tonnes</i>	<i>Allotment</i> <i>Tonnes</i>
Period I	19,315	8,000
Period II	27,373	8,400
Period III	36,632	8,550
Period IV	46,703	12,962
	<hr/> 130,023	<hr/> 37,912

The unsatisfactory supply position was aggravated by an even more unsatisfactory transport and delivery situation. Owing to a shortage of wagons, suppliers were unable to effect

deliveries promptly and cases were reported where even 1960 quotas remained undelivered at the end of 1961. Deliveries against 1961 authorisations were irregular and tea estates, whose requirements were less than a wagon load in any period, were unable to obtain their allotments from the local stockists appointed by the Regional Cement Officer, because these firms alleged that they could not dispose of any stocks without the approval of their respective Directors of Consumer Goods. At the suggestion of the Tea Board, the Branch Associations recommended certain firms in the tea districts for appointment as approved stockists, but the Regional Cement Officer has not yet accepted these nominations. From time to time the Tea Board's attention was drawn to all these difficulties and whatever assistance possible was given.

In September, the Tea Board announced that it had been decided that bulk allocations of cement should be made to the Producer Associations for *pro-rata* distribution to member estates, and that the new procedure would come into force from Period I 1962. This procedure envisaged the submission of applications for cement by tea estates to their Producer Associations, who would be responsible for collating them and for submitting to the Tea Board a consolidated statement on a Statewise basis of the requirements of their members. One of the main objectives of the change in procedure was to enable the Associations to assist those members whose requirements were less than a wagon load, to club together and to arrange for the despatch of their small quantities in wagon loads to central destinations where distribution would be arranged by Circle or Sub-District Cement Officers to be appointed by the Branch Associations.

If the procedure in fact achieves this objective, many of the difficulties experienced by tea gardens in obtaining supplies from local stockists will be eliminated.

Fertilisers.— Early in the year, the Association received news from the President, United Planters Association of Southern India that a categorical assurance had been given at

the meeting of the Standing Committee of the Export Promotion Council held in Madras on the 11th January, 1961 that the Ministries of Commerce and Industry and Agriculture had agreed that the tea industry should receive its full quota of Sulphate of Ammonia from 1961 onwards. The Association immediately asked the Tea Board whether, in view of this assurance, the industry could expect to receive further allotments of fertilisers in respect of the year 1960/61 and if so, whether action could be taken to expedite delivery as tea gardens would soon be applying fertilisers on their properties. It is regretted that no further allotments of fertiliser were received and the 1960/61 allocation remained at 51,000 tons.

At the beginning of April 1961, the Tea Board announced that the Government of India had released a quantity of nearly 5,000 metric tons of imported Russian Sulphate of Ammonia for distribution to tea gardens and that buyers would receive one eleventh of the quantities purchased by them in 1960/61 from their suppliers in due course. Later, the Chairman, Tea Board, confirmed that the Ministry of Food and Agriculture had agreed to meet the requirements of the tea industry regarding fertilisers in full and that for North East India, the allotment would consist very largely of Sulphate of Ammonia. In acknowledging receipt of this advice the opportunity was taken to reiterate the industry's preference for Sulphate of Ammonia to point out the disadvantages of Ammonia Sulphate Nitrate and Urea; and to express the hope that there would be a reduction in the price of supplies to the level of prices charged to agricultural users.

In June, during a visit to Delhi the Association's representatives were advised by officials of the Ministry of Commerce and Industry that the tea industry in North East India had been promised an allocation, which might be increased, of 65,000 tonnes of Sulphate of Ammonia for 1961/62, with the balance of requirements in the form of Ammonium Sulphate Nitrate. This allotment was confirmed in October by the Chairman, Tea Board, who advised the Association that the quantities of different kinds of nitrogenous fertilisers that had been allotted

to the North East India Tea industry for 1961/62 were as follows :—

Sulphate of Ammonia	...	65,000 M/Tonnes
Ammonia Sulphate Nitrate	...	16,187 M/Tonnes
Urea	...	1,566 M/Tonnes

In terms of nitrogen content these quantities were equivalent to a little over 85,000 m/tonnes of Sulphate of Ammonia and arrangements were being made for their distribution on an acreage cum production basis, each allottee being required to take his proportionate share of the three varieties of fertilisers released by Government.

The Association continues to press for more adequate supplies.

Tea Chests.—The Tea Board continued to keep a watch over the quality of tea chests arriving at the Calcutta warehouses, and to draw the attention of the industry to the defects which were reported by the brokers. The Association passed these reports on to members.

In March, as a result of complaints received by the Export Promotion Committee, the Board issued a circular to all Producer Associations suggesting certain measures which tea gardens might take for the proper assembly and safe handling of tea chests. These suggestions were brought to the attention of members, but it was pointed out to the Board that some of the defects mentioned arose from the poor quality of the nails and fittings available to tea estates. Damage was also caused to chests by rough handling both at the ports of Calcutta and London, where hooks continued to be used despite the regulations prohibiting their use in the handling of tea. It was recommended that the Board should investigate these aspects of the matter.

Supply of Natural Gas and Power from Naharkatiya.—The Government of Assam endeavoured to assess the demand for supplies of natural gas, which would become available for domestic and industrial purposes from the Naharkatiya and Moran oilfields, and issued a circular to tea garden managers

asking them to indicate whether their estates wished to use natural gas and if so, the amount which they expected to consume. The response to this circular was disappointing because Government had only given a general outline of the route of the pipeline, and had only indicated that gas would be made available at a price which would be competitive with the cost of alternative fuels in use. For a tea company to decide whether it would use natural gas, it had to know the cost of the gas and the expense which would be involved not only in connecting the garden to the main pipeline, but also in converting existing machinery to the new fuel. In the absence of assurances on these points, tea gardens were naturally unwilling to commit themselves, and the Association felt it necessary to draw Government's attention to these uncertainties and to suggest that Government should assume that all tea gardens would be interested in using natural gas; should settle the alignment of the pipeline on the basis of the largest number of potential consumers; and should fix the price to be charged for the gas. Once action on these lines had been taken, tea gardens would be able to consider piping costs and other related costs involved and so reach firm decisions. No further action has been taken by Government in this matter.

During the year Oil India Private Ltd., made supplies of natural gas available to the Dirial Tea Estate in the Tingri area, and a number of gas firing trials were conducted on this estate. The results of these trials are being examined and in particular the equipment used, such as burners, and the methods adopted in converting driers to gas utilisation. The Association is indebted to the Tingri Tea Co. Ltd., for the assistance given in the initial general development of the use of natural gas for tea manufacture.

Licences for the Storage of Oil.—The Association was advised by the Darjeeling Branch in September, that applications from eighteen estates in the membership of the Branch for the renewal of their licences for the storage of petrol had been held up by the Inspector of Explosives, East Circle, since November 1960 because there appeared to be some difference of opinion

between certain Government Departments regarding the account head to which the licence fees should be credited. The Association asked the Inspector to expedite the issue of the licences but, although orders have been issued in respect of the 1962 licences, the 1961 applications have not yet been dealt with by him.

The Shillong Adviser subsequently drew attention to a case which had occurred in Assam where a tea company had received no response from the Chief Inspector of Explosives, Nagpur, to its applications for licences for the storage of tea drier oil and had later been served with notices to show cause why action should not be taken against it for storing oil without a licence.

This case, as well as the cases in Darjeeling, were referred to the Chief Inspector of Explosives, Nagpur, who was asked what steps should be taken by tea gardens to ensure that their licences for the storage of oils are granted expeditiously.

Steamer Rates of Freight to the U.K.—With effect from the 1st January, 1961, the Calcutta Liners Conference introduced a scheme for the rationalisation of freight. In July, the Association's attention was drawn to certain difficulties which were being experienced by tea shippers as a result of this arrangement and various meetings were held with representatives of the Conference to discuss the matter. The main points which emerged from these meetings were that for some time past steamer agents had had to sail their ships partially filled with cargo. This system could not continue and therefore a scheme for the rationalisation of westbound freight had been introduced. The Lines considered that the scheme would improve the overall standard of service, although the duration of voyages to the U.K. particularly at the height of the tea season, might be extended by a few days. It was agreed therefore, in order to ensure that the berth was adequately filled, that the Association would provide the Conference each month with a forecast of the number of tea chests which it was anticipated would be shipped from Calcutta. It is understood that the initial

difficulties which accompanied the introduction of the scheme have now eased.

In August, the Association had a detailed discussion with the Chairman, U.K. Conference, at which it was stated that the Lines were considering a 10 per cent increase in westbound freight. The industry's representatives protested strongly against this proposed increase which, it was felt, would have most unfortunate repercussions on the tea industry. The proposed increase has not been given effect to by the Conference.

It is the opinion of the Liners Conference that, as far as possible, all rates of freight from Indian ports should be equated and a further meeting to discuss this matter took place with the Lines in December. The rate of freight from Calcutta is 140s. (gross) per cubic metre and that from Cochin 149s. (gross) per cubic metre. In equating these rates the Conference proposed to introduce a rate of 142s. 6d. (gross) per cubic metre both for Calcutta and from Cochin. The industry was unable to agree to the proposed increase from Calcutta, and it was pointed out that common teas from North-east India were facing very severe competition, and that any increase in the rates of freight, however small, would have detrimental effects on the sale of these teas.

No final decision has yet been taken and the matter is still under consideration.

Assam Air Scheme.— During the year, in consultation with the Assam Branch, the Association investigated the possibility of an air scheme being introduced in Assam on similar lines to the one which already existed in the Dooars. Negotiations are now in progress for the introduction of an experimental scheme to be run by Messrs. Associated Air Works using existing airstrips and ancillary facilities in Assam.

Tea Carriage Agreement.— The Joint Steamer Companies gave notice on the 15th February, 1961 of their intention to levy a surcharge of ten per cent on their freight charges on all

traffic, except foodgrains, with effect from the 15th March 1961. In announcing this increase they explained that, since the last increase in freight charges in 1958, the costs of coal and labour charges had increased considerably, with the result that a severe loss had been sustained in 1960.

Members were advised of the increased freight charges proposed, but the Association addressed the Steamer Companies indicating its disappointment that it had been found necessary to levy a surcharge so soon after the Association had accepted the new Tea Carriage Agreement. The Association asked the Steamer Companies to reconsider the matter because with continued increasing production costs, the increase in freight charges would be a burden on tea estates, which were still suffering from the effects of the 1960 drought.

The Steamer Companies sent the Association a memorandum explaining in full detail the reasons why a surcharge had been found necessary; but they were later able to announce a decrease in the surcharge from ten per cent to six per cent with effect from the 22nd April 1961.

Excise Duty on Tea.— (1) *Regional Excise Advisory Committees.*—The Regional Advisory Committees on excise matters set up by the Central Board of Revenue at Calcutta and at Shillong continued to function during the year. Mr. M. R. Smith, James Warren & Co., Ltd., represented the Association through the Bengal Chamber of Commerce and Industry on the Calcutta Committee and the Shillong Adviser served as the Association's representative on the Shillong Advisory Committee.

(2) *Rates of Excise Duty.* The rates of excise duty on tea were increased with effect from the 1st March 1961 as follows:—

Zone I	from 4.5 nP. per kg. to 10 nP. per kg.
Zone II	from 9.0 nP. per kg. to 15 nP. per kg.
Zone IIIA	from 8.0 nP. per kg. to 25 nP. per kg.
Zone IIIB	from 27.0 nP. per kg. to 35 nP. per kg.

These increases formed part of the Government of India's budget proposals for 1961, to which reference is made in another section of this report.

The excise duty on package tea, which was defined as tea packed in any container containing not more than 20 kg. net of tea, was simultaneously reduced from 46 nP. per kg. to 40 nP. per kg. plus the duty paid on the garden.

In April the excise authorities issued an order on all package tea manufacturers requiring them to pay the difference between the old rates of garden excise duty and the new rates on all stocks of tea held by them on the 1st March, 1961. This order was considered most unjustified and the Calcutta Tea Traders Association took the matter up with the excise authorities on behalf of the packers. As a result, the Central Board of Revenue instructed Collectors of Central Excise to cancel all demands for differential zonal excise duty in respect of package tea cleared on or after 1st March, 1961 and to give necessary refunds where the duty had been collected.

(3) *Payment of Excise duty by Cheque.*— During the year the Central Board of Revenue introduced a system permitting manufacturers of excisable goods, whose annual payment of duty is not less than Rs. 25,000/-, to pay excise duty by cheque. Tea gardens normally pay excise duty through their accounts current but the Association nevertheless brought the new system to the attention of members in circular No. 72 of the 13th June 1961.

(4) *Tea Book.*— In a Trade Notice dated the 15th May 1961 the Collector of Central Excise, West Bengal circulated specimens of a Tea Book and a Stock Register, which tea manufacturers were authorised to maintain, on an optional basis, in lieu of the following forms/registers—

- (i) EB 4
- (ii) Green leaf account
- (iii) Waste tea account

- (iv) Account of duty free samples
- (v) RG 1
- (vi) Stock cards.

Copies of these new forms are reproduced in the appendices to this report.

(5) *Annual Stock Taking.*—The Association was advised in May by the Dooars Branch that several tea estates in the Dooars had received notices from the Superintendent of Central Excise, Jalpaiguri, asking them to show cause why a penalty should not be imposed on them in respect of certain quantities of tea which were found in excess at the time of annual stock taking. The excess quantities were below one per cent. According to the Association's understanding of the excise regulations tea gardens are required, when check weighments show differences in excess of 0.25 per cent, to accept the check weighments or to arrange for further weighments to be carried out. It is only when the differences exceeded 5 per cent, that managements are required to show cause why they should not be penalised.

As the excess quantities in the cases reported did not exceed one per cent, the Superintendent's action appeared to be irregular and the Association asked the Collector of Central Excise, West Bengal to look into the matter and secure the withdrawal of the notices. The matter is still receiving the Collector's consideration.

(6) *Accommodation for Excise Officers.* In 1949 the Collector of Central Excise came to an agreement with the Association that as far as quarters for excise officers on tea estates were concerned, rent would be paid at 10 per cent of the officer's salary plus Rs. 20/-.

Early in the year under review the Dooars Branch advised the Association that the Excise Department appeared to be endeavouring to modify the terms of this agreement because one manager had received a letter from the Circle Superintendent asking him to agree to a rental of 7½ per cent of the excise

officer's salary plus Rs. 20, while the Branch itself had received a circular from the Deputy Collector of Central Excise, Jalpaiguri stating that where the quarters provided were at a distance of more than one mile from the factory premises, rent would not be paid at more than 10 per cent of the excise officer's emoluments.

The matter was accordingly referred to the Collector of Central Excise, West Bengal who confirmed that the Government of India had decided that the residential accommodation provided by the factory owners to excise officers should normally be within the radius of one mile from the factory premises, and that where the quarters were at a distance of more than one mile from the factory the rent should be limited to 10 per cent of the officer's emoluments. He pointed out, however, that it had been ascertained that the accommodation provided by tea gardens were in all cases, except one, within a radius of one mile from their respective factories. In the circumstances the Collector suggested that the Association should not pursue the matter further.

As regards the reduction of the percentage from 10 to 7 per cent, he advised the Association that the matter was receiving the consideration of the Government of India and that a decision would be communicated in due course.

(7) *Medical facilities for Excise Officers.*—In consultation with the upcountry Associations, the Association advised the Collector of Central Excise, West Bengal that tea gardens in the Dooars and Terai were prepared to make the following charges for confinements in the case of Government servants posted in the tea districts :—

For normal deliveries.— Normal deliveries will be dealt with as far as possible at the garden hospital and only in exceptional cases at the residences of the staff concerned. The charges will be Rs. 75/- and will cover the cost of medicines. A laboratory fee of Rs. 10/- will be extra.

For abnormal deliveries.— Where there are adequate facilities at the garden hospital for the treatment of abnormal cases, such cases may be dealt with at the garden hospital. The charges including the cost of medicines will be Rs. 120/- A laboratory charge of Rs. 15/- will be extra.

Where the garden hospital is unable to deal with abnormal cases, such cases will be referred to a Central Hospital and the charges payable will be the charges levied by the Central Hospital.

(8) *Central Excise Reorganisation Committee.*—By a resolution dated the 2nd November, 1960 the Government of India set up a Central Excise Reorganisation Committee under the Chairmanship of Mr. A. K. Chanda, lately the Comptroller and Auditor General of India, with the following terms of reference :—

- (a) to examine generally the organisational and administrative set up of the Central Excise Department and advise Government on such re-organisation as may be necessary for achieving maximum efficiency at minimum cost.
- (b) to review the Central Excise Act and Rules and procedures and recommend steps required for their rationalisation, simplification and improvement wherever necessary, so as to adopt better the machinery to changing conditions.
- (c) to make any other recommendations germane to the objectives of the investigation

The Committee issued a questionnaire to all concerned in April 1961. The Association collected the views of the Branches and members of the Association and a reply was prepared on the basis of the comments received and submitted to the Committee through the Consultative Committee of the Tea Producer

Associations. A copy of this reply is reproduced in the appendices to this report.

(9) Clearance of Tea Waste.—In July 1961 the Association drew the attention of the Chairman of the Tea Board to the difficulties which were being experienced by tea estates in arranging for the denaturing and clearance of tea waste meant for despatch to chemical firms engaged in the manufacture of caffeine. Under the excise regulations the factory excise officer is only allowed to supervise the denaturing or destruction of 20 maunds of tea waste a fortnight and the services of higher officials have to be requisitioned when larger quantities are involved.

This procedure was found most inconvenient and it was recommended that factory officers should be authorised to supervise the denaturing and clearance of upto 180 maunds of tea waste at a time, as this quantity constituted a wagon load.

As a result of representations made by the Tea Board, the Central Board of Revenue issued instructions in November to the Collectors of Central Excise, Assam and West Bengal vesting in them discretionary powers to enhance the powers of local excise officers for supervising the denaturing of tea waste whenever difficulties were experienced by tea gardens.

Regional Advisory Committee on Land Customs matters.—The Association was represented on the Regional Advisory Committee on Land Customs matters through the Associated Chambers of Commerce of India by Mr. N. P. Goenka of Messrs. Octavius Steel & Co., Ltd.

Export Duty on Tea.— By a notification No. GSR 324 dated 1st March 1961 the Government of India fixed the rate of export duty on tea at 44 naye paise per kilogram.

Warehousing Conditions.— Warehousing conditions for the storage of tea continued to be easy during 1961, the tea trade

and industry being allotted accommodation for 5.76 lakh chests in the port area as follows :—

	<i>Accommodation for</i>
Sale tea warehouse	2.40 lakh chests.
Hide Road warehouse (less ground floor)	1.44 lakh chests.
Kantapukur Sheds	1.92 lakh chests.
	<hr/> 5.76 lakh chests

The highest stock held by the Warehouse during the year under review was 5,17,817 chests as compared with the available capacity of 5.76 lakh chests.

The area for transit teas was the same as in previous years i.e. Tea Transit Sheds and Union South Jute Mills for river teas and Hide Road Warehouse (Ground floor) for rail teas.

In October, the Steamer Companies advised the Association that clearances from the T. I. Sheds and from Union South Jute Mill were not keeping level with arrivals and that there was danger of congestion occurring and steamers being held up. Members were asked to co-operate with the Steamer Companies and to arrange for the speedy clearance of their teas.

The Association continued to be represented on the Joint Tea Warehouse Advisory & Tea Liaison Committee by the Hon. S. P. Sinha of Messrs. Macneill & Barry Ltd.

Handling of Tea Chests at the Calcutta Port.— At a meeting of the Joint Tea Warehouse Advisory and Tea Liaison Committee held in February, it was decided that three Sub-Committees should be formed to examine the handling of teas at various stages in the Port with a view to making recommendations for the prevention of damage to tea chests.

The Association was represented on these Committees as follows :—

- (i) first Sub-Committee covering Tea Warehouse and Tea Transit Sheds by Mr. S. C. Boucher, Messrs. Balmer Lawrie & Co., Ltd. and Mr. J. R. C. Whettem, Messrs. James Finlay & Co., Ltd.
- (ii) second Sub-Committee covering the Transit Sheds in K. P. Docks I by Mr. M. C. Taraporvala, Messrs. Macneill & Barry Ltd. and Mr. J. L. Corcoran, Messrs. Duncan Brothers & Co., Ltd.
- (iii) third Sub-Committee covering the Transit Sheds in K. P. Docks II by Mr. H. K. Rao, Messrs. Shaw Wallace & Co., Ltd. and Mr. R. Shah, Messrs. Balmer Lawrie & Co., Ltd.

These Sub-Committees carried out several inspections in the Port area and their investigations showed that there was considerable scope for reducing the amount of damage to tea chests provided that certain elementary precautions were taken. Members were accordingly circularised and requested to take action on the following lines:—

- (i) lorries should not be loaded 'layer-wise' as the chests were inevitably damaged by men standing on them and rolling chests over each layer. The chests should be stacked 'tier-wise' and stepped down at the back of the lorry. For this purpose at least two men should be available on each lorry for receiving and stacking the chests.
- (ii) additional dumping pads should be used when unloading lorries in order to take the roll of the chests when they are dropped on to the pads. A check should also be carried out to see that the dumping pads are sufficiently padded.
- (iii) hooks of whatever size should on no account be used when handling tea chests. It was recently discovered.

for example, that the labour working on board a particular ship were inserting hooks into the metal linings in order to drag tea chests into position.

(iv) there should be better supervision by responsible parties, particularly at the time of unloading lorries at shipment sheds. This work should not be left to the driver of the lorry or the contractor's men.

(v) steps should be taken at the estate level to prevent both overpacking and underpacking of chests.

In August, the Port Commissioners arranged for a demonstration on the use of fork lifts for off-loading tea, palletisation etc, and the Association was asked for its views on the results of the experiment. The Association, while agreeing that the use of the fork lifts in the warehouses and shipment sheds would save teas from damage and increase the turn over of tea chests shipped from Calcutta, stated that they did not consider the proposal an economic one as any savings which might arise from the use of such equipment would not compensate for the increased expenditure which would be incurred on their purchase and maintenance.

Claims in respect of U.K. (Direct Shipment) Teas.—As agreed last year, the Association's solicitors addressed the railway authorities and the Calcutta Port Commissioners regarding the basis to be adopted for the settlement of claims in respect of direct shipment teas and proposed that (i) for teas sold in Calcutta, the real value of the teas lost or damaged should be determined by the price actually obtained in the auctions by the parent break i.e. for the balance tea which was neither lost nor damaged (ii) for teas not auctioned in Calcutta (i.e. teas which were shipped overseas on consignment) a brokers' valuation should be accepted (iii) for teas sold under private contracts, the contract price should form the basis for the settlement of claims (iv) that in the case of a dispute the Calcutta Tea Traders Association should function in the capacity of an arbitrator.

On receipt of these letters the railway authorities and the Port Commissioners carried out enquiries to ascertain how the district average price and the garden average price were determined. They also enquired into the basis on which brokers' valuations were made and promised that as soon as their investigations were completed they would convene a meeting of all the interests involved.

In September, however, the Port Commissioners advised the Association that after a close study of the case, and all the other factors concerned, they had come to the conclusion that there was no justification for deviating from the existing practice of settling claims in respect of direct shipment teas on the basis of the district average price. They indicated, however, that the Port Commissioners' Chairman would be prepared to meet the Association's representatives for a discussion if it were so desired. The Association asked that such a meeting should be convened and that consideration should also be given to an alternative suggestion made by the Calcutta Tea Traders Association that the time limit for the submission of these claims should be extended from three months to six months to enable them to be settled on the basis of the actual price realised for the parent break at the London Auctions. Up to the time of writing the meeting has not been convened by the Port Commissioners.

Payment of Railway Freight.— During the year the Port Commissioners drew attention to the need for the speedy payment of railway freight in respect of consignments of tea which were delivered by them to consignees against indemnity bonds.

On enquiry it was confirmed that members made every effort to pay their freight dues within the stipulated period of fourteen days; but that they were often unable to do so because of the time lag between the arrival of the teas and the delivery of the R/Rs by the Port Commissioners' office at Kantapukur. Delays of up to ten days were not uncommon and this left very little time for the settlement of freight bills within the stipulated period. The Port Commissioners were therefore asked to

make arrangements for the delivery of the R/Rs to be speeded up.

Loading of Teas into Port Commissioners' Wagons at Tea Transit Sheds.—Towards the end of December 1960, the Joint Steamer Companies reported that the Port Commissioners had declined to accept any liability in respect of broken/repaired chests made over to them at the Tea Transit Sheds for carriage into the dock area and that in the circumstances they would only send forward such consignments of tea in Port Commissioners' wagons at the specific request of the companies, and on condition that they were indemnified against losses incurred over the P. T. Railway.

The Association considered the Port Commissioners' attitude in this matter to be most unreasonable but, after further consideration, it was decided not to press the matter as the Port Commissioners might otherwise refuse to accept damaged chests or only agree to carry them if a check weight system were introduced, for which additional charges would no doubt be levied.

Placing of wagons for unloading at private warehouse sidings in the Docks on Sundays and Holidays.—In response to a request by the Association that the P. T. Railway should not place wagons for unloading at private warehouse sidings on Sundays and holidays because of the danger of pilferage, the Traffic Manager advised the Association that the Commissioners arranged for the placing of inward wagons at the sidings as and when such wagons were received from the railways. The Commissioners could not undertake to give siding holders any prior intimation regarding the arrival or placement of wagons on their account. Holders were expected, nevertheless, to arrange for the unloading of wagons on placement, failing which the wagons remained at the sidings at their sole risk and expense.

In exceptional circumstances, however, when a siding holder was not in a position to arrange for the release of inward wagons, he could approach the Dock Manager and,

circumstances permitting, arrangements would be made to detain the wagons in the yard for which detention charges would have to be paid by the siding holder concerned.

The Companies Act 1956.— In April, the Association addressed the Department of Company Law Administration regarding the difficulties which tea companies were likely to experience as a result of the amendments made to Sections 210 and 228 of the Companies Act by the Companies (Amendment) Act, 1960.

Under the revised Section 210, a company's balance sheet and profit and loss account must be laid before the company within six months of the closing of the accounting period. In the case of tea companies it was customary to close accounts on the 31st December each year and to take into account tea sale proceeds up to the 31st March following, with an estimate for such of the season's teas as were unsold at that date. In view of this practice, which was designed to present shareholders with a true and fair picture of the year's trading, it would be difficult for tea companies to finalise their accounts and have them audited for presentation to shareholders before the expiry of the statutory period on the 30th June and it was suggested that, as far as rupee tea companies were concerned, they should be given an automatic extension to present their accounts by the 30th September each year.

As a result of the amendment of Section 228 every tea estate automatically became a branch office and, as a result, its accounts became subject to audit. In view of the large number of tea estates and the small number of chartered accountants, the statutory auditors were likely to find it very difficult to carry out annual audits of all tea estates accounts and to complete their examination of the books and accounts maintained at head offices in sufficient time to enable the annual general meetings to be held within the reduced period of six months. In the circumstances, it was recommended that Government should exempt tea estate accounts from audit under Section 228(iv) of the Act.

The Government of India advised the Association that they were unable to accede to the requests on these two matters and that tea companies, which were unable to comply with the law, should apply for exemptions individually to the Company Law Administration, which would deal with their cases on merit.

As a result of the introduction of Rule 18A in the Companies (Central Government's) General Rules & Forms 1956, foreign companies operating in India are required to file their Indian business accounts under Section 594 of the Companies Act 1956 within a period of nine months from the close of the financial year.

Under the rules in force prior to the introduction of this rule, a foreign company was required to file its Indian business accounts in every calendar year and sterling tea companies, whose accounting years customarily end on the 31st December, could file their accounts by the following 31st December. The effect of the new rule was to reduce the time allowed for filing these accounts from twelve months to nine months. As the Indian business accounts could only be completed and audited after the companies' accounts, which were prepared and audited in the head office in the U.K., had been received in India, it would be extremely difficult to file them within the period of nine months now prescribed. In the circumstances Government was asked to grant a general exemption to all sterling tea companies permitting them to file their accounts within a period of one year of the close of the financial year.

Government, however, regretted its inability to accede to this request and once again suggested that tea companies should apply for individual exemption, where necessary, to the Company Law Administration Department, which would deal with the cases on merit.

Income Tax : Value of Rent Free Quarters.— As a result of representations made by the Association, the Central Board of Revenue issued instructions in June to all Commissioners of

Income Tax authorising them to determine for income tax purposes the value of rent free quarters provided to plantation employees on the basis of $7\frac{1}{2}$ per cent (9 per cent if the house was furnished) of the employee's salary as defined in Rule 24A of the Income Tax Rules, subject to a maximum of Rs. 7,500 per annum (or Rs. 9,000 per annum if the house was furnished).

Assam Taxation (on goods carried by roads or inland waterways) Act, 1961.— Judgment in respect of the Association's appeal to the Supreme Court challenging the Assam Taxation (on goods carried by roads or inland waterways) Act, 1954, was delivered in September, 1960 and in a majority judgment the court held that the Act was bad in law as it violated the provisions of Article 301 of the Indian Constitution, and the defect had not been cured as the assent of the President had not been obtained. Section 301 lays down that trade, commerce and intercourse throughout the territory of India shall be free.

The industry's satisfaction in obtaining a favourable judgment was, however, short-lived as in February, 1961, the Government of Assam gazetted the Assam Taxation (on goods carried by roads or inland waterways) Bill, 1961, which gave retrospective effect to the collection of carriage tax from the 24th April, 1954. The Bill also provided for the collection of the tax up till 31st March, 1962. In the statement of objects and reasons for the Bill, it was stated that in order to validate the tax so far realised and to continue its levy, an ordinance had been prepared and forwarded to the Government of India. The President had given his approval to the ordinance subject to the reservation that the tax should not be levied in its present form beyond 31st March, 1962. The Bill eventually became law in April and the Association immediately consulted counsel on the validity of the Act and the possibility of challenging it in a Court of Law. Counsel was of the opinion that the 1961 Act was *ultra vires* the Constitution and that writ petitions might be filed before the Assam High Court. The decision whether or not to challenge the Act was not an easy one to take, but it was eventually decided that it would be wrong to allow illegal legislation to be imposed on the industry without taking action and to permit Government to collect

large sums of money by unconstitutional means. Accordingly, therefore, writ petitions under Article 226 of the Constitution were filed in the Assam High Court on the 15th July on behalf of the Golaghat Assam Tea Co., Ltd., and the Dessai & Parbutia Tea Co., Ltd. The petitions were admitted by the Court and interim injunctions were granted restraining the Government of Assam from taking any further proceedings in respect of the notices issued under the impugned Act until final disposal of the matter. In due course the Government of Assam moved the High Court to vacate the order granted on the 15th July, but the application was dismissed. The case has not yet come up for hearing.

Soon after the 1961 Act was passed, demands were received by gardens for the payment of the taxes due under the Act. Counsel were again consulted and members were advised to seek extension of the time for payment until the writ petitions had been filed in Court. If, however, no extension of time was allowed, or if the extended period had expired and the Superintendents of Taxes threatened to impose penalties for non-payment, members should either pay under protest or file writ applications in the High Court. If any penalty were imposed before the recommended action could be taken, members were advised to lodge appeals with the appellate authority as provided in the Act. In an endeavour to avoid the multiplication of unnecessary applications in Court, the Consultative Committee of Tea Producer Associations addressed the Government of Assam suggesting that orders might be issued that no further steps to collect taxes should be taken until the whole matter had been disposed of by the Court. This request was not accepted by Government.

In respect of Cachar, the Government of Assam suspended the collection of Carriage Tax under the old Act with effect from the 1st April, 1959, and in view of continuing economic difficulties in this district, continued the suspension up till the 30th September, 1960. The Association was particularly concerned with the position of Cachar under the new legislation, and representations were made to Government requesting the

continuation of the exemption. Although personal assurances were given in private discussions that no action would be taken to collect arrears of Carriage Tax it was with considerable concern that the Association learned in August that Government had decided to collect Carriage Tax in Cachar with retrospective effect from the 1st July, 1960. Immediately representations were made to the Government of Assam and discussions held with the Chief Minister and Finance Minister. Eventually a notice was issued agreeing to suspension of the collection of tax up to the period ending 1st April, 1961. While appreciating the action taken by Government, the Association pressed that suspension should be extended beyond that date.

In addition to demands for payment of Carriage Tax in Assam, notices were also issued by the Superintendent of Taxes, Dhubri, on gardens in the Eastern Dooars. In such cases the Association advised estates concerned, if they so wished, to apply for stay orders by means of writ petitions in the Assam High Court rather than in the Calcutta High Court.

West Bengal Taxes on Entry of Goods in Local Areas Act, 1955.—

As a result of the Supreme Court judgment that the Assam Taxation (on goods carried by roads or inland waterways) Act, 1954, was *ultra vires* the Constitution of India, the Association in conjunction with other Producer Associations, filed applications in the High Court for the issue of appropriate writs restraining the Commercial Tax Authorities from giving effect to the provisions of the West Bengal Tax on Entry of Goods in Local Areas Act, 1955.

As a result a rule was issued in December, 1960, but the case has not yet come up for hearing.

Assam Panchayat Act.— The activities of the Anchalik Panchayats, which had been constituted by the Government of Assam and which had taken over certain functions previously discharged by local boards, caused some concern to tea estates in Assam. These bodies had certain powers of local taxation and in one instance a Panchayat endeavoured to levy a tax on all tea originating in its area. This proposal, however,

required the assent of the State Government which had not been given; but clearly the activities of the Panchayats could prove detrimental in the future if not carefully watched.

As the efforts which the Association had made previously to secure the exclusion of tea estates from the scope of the Act had not been successful, the Association decided to approach the Assam Tea Planters Association and the other producer associations concerned to see if joint measures could be devised to safeguard the position of the Tea Industry. The subject was thoroughly considered by the Consultative Committee of Tea Producer Associations and it was decided that action should be deferred until after the General Elections in 1962 when the position would be reviewed again.

Visit of his Royal Highness The Prince Philip Duke of Edinburgh to the Tea Districts. An outstanding event during the year was the visit to Jorhat on the 16th and 17th February 1961, of His Royal Highness The Prince Philip Duke of Edinburgh. The main function on the occasion of this visit was the reception, which was held on the morning of the 17th February on the Jorhaut Tea Company's cricket field through the courtesy of the Company's Superintendent, Mr. R. W. Gawthrop, who was host to His Royal Highness.

The Association chartered aeroplanes, through Messrs. James Warren & Co., Ltd., from the Indian Airlines Corporation and Jamair Co. Private Ltd. to carry the Calcutta guests and the chosen representatives from Darjeeling, the Terai, the Doours, Cachar and the North Bank to and from Jorhat, each area being given a quota of seats. Some 120 persons travelled by these services. Arrangements were also made with a freighter service to extend its flights to Jorhat to bring further North Bank members to the reception. Planters in Zones I and II motored down to Jorhat; and the reception was attended by some 500 persons, of whom 90 per cent were planters and their wives. At the reception various representatives of the Association and the Branches were presented to His Royal Highness.

Before the reception was held, His Royal Highness paid a brief visit to Tocklai Experimental Station, and was escorted by the Chairman, the Chairman of the Scientific Department Sub-Committee and the Tocklai Director. A "Museum of Activities" was set up by the Director to show the station's various functions and His Royal Highness was presented with a brochure "Tea in North East India" which gave a brief historical outline of the Industry and the activities of the Association and its Branches.

Rabindranath Tagore Centenary.— In a notification dated the 20th February 1961, the Government of India declared 8th May, 1961 as a public holiday throughout India in commemoration of the centennial anniversary of the birthday of Rabindranath Tagore. The State Governments later issued press notes requesting employers to grant their workers, including industrial workers, a paid holiday on the 8th May 1961 which should be additional to existing holidays. In view of this special appeal, the Association recommended that tea workers should be granted a paid holiday on the 8th May 1961.

The Rabindranath Tagore Centenary Committee launched an appeal for contributions towards a Rabindranath Tagore Centenary Fund and it was agreed that this matter should be left to the discretion of tea companies.

In the Dooars, Darjeeling and Cachar local appeals were received by the Branch Associations and it was agreed that contributions might be made as follows : Dooars Rs. 500, Darjeeling Rs. 2,000, Cachar Rs. 1,000.

Edwina Mountbatten Memorial Fund.— To perpetuate the memory of the late Countess Edwina Mountbatten of Burma, a campaign was launched in 1960 in the United Kingdom, the Commonwealth and other countries for an "Edwina Mountbatten Trust" with the aim of promoting the three causes with which she was most closely associated in her life time namely Children's Welfare, the advancement of Nursing and the St. John's Ambulance.

In close association with the Trust, a Committee, of which the Prime Minister was Chairman, was formed in India to establish an "Edwina Mountbatten Memorial Fund". This Committee issued an appeal calling for contributions from the general public in October, 1960.

The collection of contributions from organised industry in India, for which a target of Rs. 15 lakhs was fixed, was entrusted to the President of the Associated Chambers of Commerce of India and Mr. G. D. Birla. The Tea Industry's share of this target was fixed at Rs. 1½ lacs and the Consultative Committee of Tea Producer Associations issued a recommendation that tea estates, in the membership of the affiliated Associations, should contribute at the rate one naya paisa for every forty-five pounds of tea produced in 1960, it being left to the Tea Companies concerned to decide whether they wished to make payment in a lump sum or in two instalments, one in 1961 and the other in 1962. The Association asked members to make their contributions in one instalment in 1961, and a total sum of Rs. 76,585.71 was collected and paid to the Fund.

Assam Chaplaincy Scheme.— After serving the Assam Chaplaincy Scheme for over forty years, the Rev. F. Wyld retired at end of April, 1961. The Committee granted him a pension of Rs. 500 per month for life and also sanctioned a sum of Rs. 10,000/- to be spent on the repair of the Tezpur Manse where the Rev. Wyld will continue to live and serve as a private Chaplain to the Bishop of Assam.

The Rev. L. T. F. Carpenter, who was appointed by the Bishop of Assam to take the Rev. H. R. Horsley's place, arrived in India in November and was posted to the Lakhimpur charge.

Last year it was decided that one of the Chaplains should be posted at Cinnamara and the Rev. H. Picton was accordingly stationed there. It was found later, however, that this arrangement was not altogether convenient and that the Assam Branch was likely to require the bungalow which had been allotted to the Chaplain. It was accordingly decided that

the Rev. Picton should be transferred to Tezpur, where he will occupy a bungalow belonging to the Assam Nursing Association.

When this move is completed the Chaplains will be deployed as follows :—

Chalkoa	...	The Rev. L. T. F. Carpenter
Digboi	...	The Rev. P. Innes
Tezpur	...	The Rev. H. Picton

The rate of contribution by Tea Companies to the Chaplaincy Fund was fixed at Rs. 124 per 100 hectares, which is equivalent to the previous rate of Rs. 50 per 100 acres.

Planters' Amenities Fund.— The rates of subscription to the Planters Amenities Fund for 1961 were fixed at the following rates, which are approximately equivalent to the 1960 rates, viz :

- 31 nP. per hectare for Cachar gardens.
- 62 nP. per hectare for all other tea areas

The collections made were distributed in accordance with proposals which received the prior approval of the Committee

Malaria Control.— In last year's report it was recorded that arrangements had been made with the Director of the National Malaria Eradication Programme and the State Malaria Officers of West Bengal and Assam for tea estates to be given the option of carrying out their own spraying operations, of receiving supplies of D.D.T. from Government, which they could apply themselves, or of having their spraying programmes taken over completely by the State Malaria Units. Estate Managers had notified the State Malaria Officers of their choice in this matter in 1960 and it was promised that the Government scheme would be brought into effect before the malaria transmission season in 1961. By April 1961, however, it was obvious that many estates had not received their supplies of

D.D.T. from Government for the first round nor had all estates, which had chosen to be sprayed by the malaria units, been visited by the Government teams. A meeting was accordingly held in May in Shillong between the Director of the National Programme, the Deputy Director of Health Services, Assam, the Assam Health Minister and the Principal of the Ross Institute to work out an efficient mechanism for inclusion of tea estates in the Government programme. As a result of this meeting a questionnaire was issued to all estates asking them to indicate the position on their estates. The information collected was passed on to the Director, N.M.E.P., who at once issued instructions to the State Malaria Officers that estates were to be given priority in the supply of D.D.T.

Other difficulties arose during this period of transition but, through the good office of the Principal of the Ross Institute, they were quickly solved and it is hoped that by 1962 the Malaria Eradication Programme will have been firmly established on tea estates.

Calcutta School of Tropical Medicine.— The members of the Association, with a few exceptions, continued their support of the Calcutta School of Tropical Medicine during 1961, the subscription remaining 3 nP. per acre. A total sum of Rs. 8,135.29 was accordingly paid over to the School. The Association was represented on the Governing Body of the School by Mr. H. Mackay Tallack.

The usual courses for the Licence and for the Diploma in Tropical Medicine were held during the year as from the 25th October, 1961.

Ross Institute of Tropical Hygiene.— Tea Companies in the membership of the Association continued to support the Ross Institute of Tropical Hygiene, India Branch, during the year. The rate of subscription for 1961/62 was fixed at ten naye paise per one hundred kilograms of the average annual production of tea of subscribers in the years 1958/1959/1960.

Rate of Emigrant Labour Cess.—The Government of India, Ministry of Labour & Employment fixed the rate of Emigrant Labour Cess for the year 1st October 1961 to 30th September 1962 at Rs. 9/- per assisted emigrant.

Cattle/Goat Trespass on Tea Estates.— The cattle and goat population on tea estates has increased considerably over the past few years and, with limited areas of grazing being available, these animals are allowed to wander uncontrolled by their owners with the result that they cause damage not only to drains, riverbanks etc. but also to the tea. The menace of cattle/goat trespass was brought to the attention of the Tea Board to whom it was suggested that with a view to counteracting the menace, tea estates should be allowed to establish their own pounds and that pound fees should be enhanced to a level where they would have a deterrent effect. It was also suggested that strong representations should be made to the civil and military authorities regarding the requisition of tea estate land which was suitable for grazing.

Cemeteries in the Tea District.—Agency Houses, with interests in Darjeeling, subscribed towards the Darjeeling Cemetery Fund at the rate of Rs. 30/- for each garden while those in Cachar, except gardens in the Longai Valley, contributed towards the Christian Cemetery in Silchar at the rate of Rs. 20 per garden.

The Jalpaiguri Cemetery Committee decided to close down the cemetery and to hand it back to Government after removing the tombstones to the compound of the Church of St. Michael and All Angels, Jalpaiguri. The cost of moving the tombstones to the new site was met by the U.K.C.A., while the cost of constructing a wall round the church to enclose them was met by the Dooars Branch, which raised a levy of 9 pP per acre to provide the required sum of Rs. 7,500.

The Lead in Food Regulations 1961.— With a view to restricting the amount of lead which may be present in a wide range of articles of food and drink sold for human consumption, the British Government issued in October the Lead in Food Regulations 1961, which will come into force from the 16th April, 1962.

The regulations provide for a maximum lead content in tea of 10 parts per million by weight (which is the same as the tolerance laid down in the U.S.A.) and make it an offence to sell, consign or deliver, or import into England and Wales any tea which does not comply with these regulations.

Tea in which the lead content exceeds 10 parts per million, upon certification by a public analyst, may be treated for the purpose of Section 9 of the Food and Drugs Act, 1955, as being unfit for human consumption, and may be seized and destroyed on the order of a Justice of the Peace.

Tea Waste (Control) Order, 1959.— By a notification dated the 22nd June 1961, the Government of India amended the definition of Tea Waste in the Tea Waste (Control) Order 1959 to read as follows :—

“tea waste” means tea sweepings, tea fluff, tea fibre and stalky tea containing more than 50 per cent of stalks (other than tender stalks) by weight, the weight of leaves and stalks being obtained after drying at 100°C. and determined under identical conditions, but does not include tea conforming to the specifications for tea laid down under the Prevention of Food Adulteration Act, 1954 or green tea stalks or tea seed.”

Supply of Tea Waste for Caffeine Manufacture.— During the year under review the Association maintained its policy that tea gardens should destroy their tea waste on the estates and should not make supplies available for any purpose whatsoever, except to Caffeine manufacturers approved by the Association. Special arrangements were made for the supply of tea waste to Messrs. Eastern Assam Chemical Industries Private Ltd. at Dibrugarh and to Messrs. Bengal Chemical & Pharmaceutical Works Ltd. at Calcutta for this purpose.

The Tea (Distribution and Export) Control Order 1957: Licensing of Loose Tea Dealers in Darjeeling.— At the request of the Darjeeling Branch, the Association asked the Tea Board to consider the possibility of making the Tea (Distribution

and Export) Control Order, 1957 applicable to loose tea dealers in Darjeeling as the theft of tea and the sale of hand made and adulterated tea continued to be a problem in that district.

The Tea Board, however, regretted its inability to accede to the Association's request on the grounds that the licensing provisions of the Order could not be applied piecemeal to limited areas and suggested that tea estates should tighten up their own machinery for preventing thefts of green leaf etc. The Board was unable, however, to suggest any steps which tea estates could take to strengthen their watch and ward arrangements without exacerbating labour, unions and others.

This attitude was considered unsatisfactory, and the Association again wrote to the Board explaining that tea estates already did everything possible to protect their properties but that thefts continued to take place despite their precautions because there was a profitable market for handmade teas. The only way to prevent thefts from taking place appeared to be to license loose tea dealers who disposed of hand made teas and the Board was asked to examine once again the possibility of applying the Tea (Distribution and Export) Control Order to the tea growing areas such as Darjeeling and Jalpaiguri, without extending such a measure to the whole of India.

In reply the Tea Board pointed out that the Association's proposals had been thoroughly examined, but it was not considered that the Association's objectives would be achieved by licensing loose tea dealers under the Tea (Distribution and Export) Control Order. Under this Order the principal restriction imposed on a distributor was that he should not distribute tea for sale which was adulterated. Unless it could be proved that the hand made teas were adulterated, or that they did not conform to the specifications laid down under the Prevention of Food Adulteration Act or that they came within the definition of tea waste given in the Tea Waste (Control) Order, it would not be possible to take any action against dealers offering them for sale under the legislation mentioned or under the Tea (Distribution and Export) Control Order.

The position is disappointing particularly because recent experience has shown that deterrent punishment is not always awarded to culprits found guilty of stealing tea. The Chairman, Tea Board has asked Government to consider whether a directive could be issued to the Public Prosecutor and the Court Inspectors to press hard for condign punishment to be meted out in cases involving the theft of tea.

Membership Subscription.—The rate of membership subscription for the last three years has been as follows :—

- 1959 - 1.38 nP. per lb. of the average production for the years 1955, 1956 and 1957
- 1960 - 1.38 nP. per lb. of the average production for the years 1956, 1957 and 1958.
- 1961 - 2.58 nP. per kilogram of the average production for the years 1957, 1958 and 1959.

Finance.—Copies of the audited balance sheets of the Association and the Scientific Department as at the 31st December, 1961, together with the revenue accounts for the year are attached to this report.

I. F. Morriss, *Chairman.*

Hon. S. P. Sinha, *Vice-Chairman.*

B. P. Bajoria

L. T. Carmichael

N. S. Coldwell

Sir Richard Duckworth, Bart

H. K. FitzGerald

G. Kydd

A. C. H. Dolphin

P. B. Nicholls

G. F. Oldham

G. A. Whitaker

E. I. BROWN,

Assistant Secretary,

Royal Exchange,

Calcutta-1.

Calcutta, 1st February, 1962.

REPORT OF THE DARJEELING AND DOOARS SUB-COMMITTEE

The Darjeeling & Dooars Sub-Committee.— The following gentlemen served as members of the Darjeeling and Dooars Sub-Committee for 1961 :—

Mr. A. C. H. Dolphin,		Messrs. Shaw Wallace &
<i>Chairman</i>	}	Co., Ltd.
Mr. D. B. Wallace	}	
Mr. F. Carman	}	Messrs. Williamson Mager
Mr. A. J. Cameron	}	& Co., Ltd.
Mr. L. T. Carmichael	}	Messrs. Duncan Brothers
Mr. A. F. Macdonald	}	& Co., Ltd.
Mr. G. Kydd	}	Messrs. Otagiri Steel &
Mr. D. J. D'Eath	}	Co., Ltd.
Mr. C. R. F. Mackenzie		Messrs. McLeon & Co., Ltd.
Mr. G. W. Maycock		Messrs. Gilanders Arbuthnot
Mr. G. J. Duncan		& Co., Ltd.
Mr. I. F. Morriss		Messrs. Jerome Henderson
		Ltd.
Mr. G. F. Oldham		Messrs. Andrew Yule &
Mr. P. A. Francis		Co., Ltd.
Mr. L. N. S. P. Pyke		Messrs. Davenport & Co.
		Ltd.
Mr. A. N. Sircar		Messrs. James Finlay &
		Co., Ltd.

When Mr. Dolphin proceeded on leave at the end of September 1961, Mr. L. T. Carmichael agreed to serve as Chairman of the Sub-Committee and did so until the end of the year.

Threatened Strikes in the Dooars.— From time to time during the past year, various Unions in the Dooars have issued strike notices either on individual gardens or on the industry in general. One of the most important was the strike notice issued by the West Beneal Cha Sramik Union which was called for three days from the 4th September, if certain demands were not met. These demands included the consolidation of the *hazri* and *doubli* wage, the abolition of the present method of

fixing ticca tasks, an increase in firewood, the issue of an all-rice ration and pensions and gratuity.

The Association approached the Labour Commissioner, West Bengal, and stressed the difficulties which the industry were experiencing as union after union were raising strike issues on many matters which were under consideration or which had even been settled. As a result of this approach, the Labour Commissioner informed the West Bengal Cha Sramik Union that their strike notice was inappropriate and later he called a meeting at Jalpaiguri on 2nd September, to discuss the various issues. The outcome of the meeting the strike had meantime been postponed was that employers should give consideration to (i) either one task being allotted for a full day's work during plucking or that there should be two separate tasks for hazri and doubli, and (ii) plucking tasks should be announced before commencement of work.

The Darjeeling and Dooars Sub-Committee considered these matters at a meeting and it was decided that there should be no change in the hazri-doubli system during the present season but that from 1962, unless the Wage Board had previously decided differently, the Association would be willing that the plucking task should be set for the whole day, i.e. hazri and doubli combined and that leaf price at 5.5 mP. per kilogram would be paid for leaf plucked in excess of the task fixed. In practice, this meant that managers would fix tasks for the whole day for men, women and children at approximately 11, 10 and 6 lbs/ram respectively higher than the present hazri task. It was also agreed that managers would announce the daily task as soon as possible after midday and that in no case would the announcement of the task be postponed to the following day.

The Dooars Branch conveyed this decision to the Assistant Labour Commissioner, Jalpaiguri, but no further reference has been made to the Association.

Threatened Strike in Darjeeling.— The Darjeeling District Cha Kaman Mazdoor Union gave notice of a general strike on all tea gardens in Darjeeling with effect from 3rd July.

Demands included the abolition of the practice of evicting family members from the garden when the head of the family was dismissed; an interim increase in wages pending the recommendations of the Wage Board; amendment of standing orders, and speedy disposal of claims for refund of Provident Fund accumulations.

A tripartite meeting was held in Darjeeling in June under the Chairmanship of the Deputy Labour Commissioner, Government of West Bengal, to consider the matter and, as a result, the strike was called off. In order to avoid possible legislation by Government, the Industry's representatives agreed to compromise the eviction item on an assurance that if the head of a house, convicted of gross misconduct, was evicted from the garden, he would not re-enter the garden. If he did so, legal action for trespass might be taken against him. On condition that this assurance would be given, gardens would be prepared to allow the working wife of the offender and minor children to remain on the garden, provided that the law agreed that a wife and husband might be separated in order to obtain an eviction order in respect of the offender.

The other demands were to be pursued in the light of discussion.

Labour Disputes—West Bengal.— In August 1960, the Doars Chai Bagan Mazdoor Sangh adopted a Charter of Demands which was ultimately subject to an agreement signed in September 1960. The details of this agreement were mentioned in last year's report and the more important items included (i) that preference should be given to workers' children in filling vacancies for employment on tea gardens, (ii) that the Union would be at liberty to bring forward cases where the work load was considered unduly severe, (iii) that medical facilities which were given free of cost would not be withdrawn from the children of workers up to the age of 18, (iv) that in addition to two national holidays, employers would be given three festival holidays with pay, and (v) that henceforth temporary labour, whether resident or non resident on the garden, would be paid the same cash wages as permanent workers.

It was hoped that this agreement, which in all covered eleven items, would result in more stable labour conditions in the Dooars. This hope did not materialise and in December 1960 the Dooars Chai Bagan Workers Union began to re-agitate not only matters covered in the agreement but also to raise other items. The Association was most concerned over these new developments and, at the first conciliation meeting which the Labour Commissioner, West Bengal, called in January to discuss these matters, stated that it was wrong, in view of the Code of Discipline, to re-agitate matters so shortly after an agreement had been made. In spite of these protests the demands, which were ten in number, were discussed; the more important of which were : (i) an increase in the number of paid festival holidays, (ii) retirement benefits and age of superannuation, (iii) introduction of a single wage system in place of the present *hazri* and *doubli* payment and (iv) leave with wages for attending conciliation and adjudication proceedings. These items were the subject of discussion at conciliation meetings held in January, March, May and July. The discussions at these meetings were long and detailed and at times acrimonious, but eventually agreement was reached in respect of holidays with pay and leave with wages for attending adjudication proceedings. In respect of holidays with pay, it was agreed that with effect from 1962, two national and five festival paid holidays would be given and, in respect of leave with wages for attending conciliation proceedings, it was generally agreed that up to three workers from the garden concerned in a dispute might be paid wages when attending conciliation proceedings : a worker from another garden, who was a Union representative, might be allowed wages provided that the Conciliation Officer was satisfied that the dispute was an important one involving several gardens and as such would reasonably attract negotiations at a Branch or Association level. The demands regarding retiral benefits and age of superannuation, and the adoption of a single wage system in place of the present *hazri*/*doubli* payment are still under consideration, but in respect of the latter demand, the Association's views were conveyed to the Labour Commissioner, West Bengal, in connection with a strike notice issued by the West Bengal Cha

Sramik Union. The other demands were disposed of generally as they came within the jurisdiction of the Wage Board.

These disputes occupied much of the Association's time during the year, and were discussed in detail by the Darjeeling and Dooars Sub-Committee and the General Committee and are referred to in detail elsewhere in this report.

Flood Control in North Bengal.— Mr. L. T. Carmichael, the Association's representative on the North Bengal Flood Control Advisory Committee, resigned and Mr. G. A. Whitaker of Messrs. Gillanders Arbuthnot & Co., Ltd. was nominated to take his place on the Committee. While Mr. Whitaker was on leave, Mr. G. W. Maycock of the same firm served as the Association's representative.

During the year the Flood Control Department took steps to protect the Raidak River II at the point where it was eroding its left bank and threatening to cut off the Jorai Station road from the North. The work consisted of large stones being placed against the river bank with bunds approximately 20 ft. long projecting into the river. The work is expected to be completed before the onset of the 1962 monsoon.

It was necessary, however, to draw the Department's attention to another section on the west side of the Raidak River II, near the Rydak Tea Estate, which was being severely eroded. At this point the earth part of the bund, which had originally been 20 feet wide on the top, had been eroded over its entire length and was in many places barely 2 feet wide. The river, which was at a low level, had also cut underneath areas that had been stoned faced and there was, therefore, a danger that the stone facing would collapse into the river. The porous groyne at the southern end of the bund, which deflected the water back into the main stream and also prevented the water running along the bund and turning east into the Dhowla river and thence through the Turturi, Rydak and Dhowlajhora tea estates, had deteriorated and required strengthening and repairing. At the end of the year Government advised the Association that a scheme for the protection of the river at

the Rydak Tea Estate had been drawn up, and that the work would be carried out before the 1962 monsoon

Government's attention was also drawn to the devastation caused by annual flooding in the North and North-Western corner of Madarihath Thana on the Bhutan border by the Pagli and Garganda rivers. The tea estates in the vicinity had spent a great deal of money annually in protection works, but they now found the burden excessive and it was considered that Government should assume responsibility for the work needed. At a meeting of the Advisory Committee, held on 15th December 1961, Government accepted in principle its responsibility for this work, but indicated that "model experiments" would have to be prepared and that it might take approximately two years to produce them. Every endeavour would be made, however, to expedite matters.

Air Services in the Dooms.—The various airfields in the Dooms continued to function successfully under the control of the local airfields committees and the aircraft, operated by Messrs. Associated Air Works under an agreement with the Dooms Branch, provided a valuable service throughout the year.

As in previous years, Messrs. Jamair Co. Private Ltd., were retained to provide air services between Calcutta and the Dooms, and gardens in the Dooms agreed to ship 2½ per cent of their crops as backloads by that Company.

During the year, the Association was advised that the Defence Department of the Government of India proposed to acquire a large section of the Subhasini Tea Estate for the construction of a new airfield at Hasimara. As this proposal would result in the virtual extinction of the estate, the Association requested the Chairman, Tea Board, to intervene on behalf of the estate and to suggest that the site for the new airfield be moved further south, where Government land was available.

Road Communications in North Bengal.— When the rate of agricultural income tax was increased in 1957 by the Government of West Bengal from 25 nP. in the rupee to 40 nP. in the rupee, the Chief Minister, Government of West Bengal, gave an assurance that the increased collections would be used on the improvement of roads in the tea districts of North Bengal. Subsequent reports have described the action taken to secure the implementation of this assurance and gave details of the PWD and Local Board roads which the Association recommended for special attention.

In February 1961, the Government of West Bengal, Local Self Government and Panchayats Department, replied to the various representations which had been made by the Association during the previous years and stated that against a sum of Rs. 25.1 lakhs per annum received as agricultural income tax in the two districts of Darjeeling and Jalpaiguri, and a sum of Rs. 45.1 lakhs which might be received at the new rates, the Public Works Department spend Rs. 38.30 lakhs annually on roads in the tea districts, and the Development (Roads) Department had spent an average of Rs. 20.48 lakhs per annum over the past four years, making a total of Rs. 58.78 lakhs per annum.

As regards the District Board roads, Government stated that the District Boards could not afford the expenditure required to improve them. The Kalchini-Panabusti-Jaigaon Road would cost Rs. 7.2 lakhs, while the expenditure on all the roads mentioned by the Association would amount to Rs. 76 lakhs. Consideration was being given to the question of whether any assistance could be offered to the District Boards by Government and it was suggested that if tea companies were willing to contribute in cash and kind to such projects, it might be possible to introduce schemes for the improvement of these roads.

In conclusion Government asked for the Association's suggestions regarding the roads and bridges which might receive attention in the 3rd Five Year Plan and for confirmation that the action so far taken by Government fulfilled the assurance given by the Chief Minister on this subject.

Government's letter was examined by the Branch Associations and the Darjeeling and Dooars Sub-Committee, and a reply was sent in due course expressing the Association's appreciation for what had been done by Government to improve road communications in the tea districts, and recommending that Government should take over all the District Board roads not only in the Dooars but also in Darjeeling, as it was clear that the District Board authorities would not be able to improve them.

Tea gardens already contributed towards the maintenance of District Board roads, but their financial position precluded them from contemplating any further extension of their assistance.

A list of roads in the Dooars and Darjeeling was submitted for inclusion in the Third Five Year Plan and Government's reactions are now awaited.

Safe Laden Weight of transport vehicles plying in Darjeeling.—

Under the Motor Vehicles Act, a transport vehicle is required to pay road tax on the basis of its safe laden weight. By a notification dated the 15th February 1959, the Government of India brought into force Sections 32 and 101 of the Act which laid down the following formula for the calculation of the safe laden weight of a transport vehicle:

	<i>For 1952 or earlier model vehicles</i>	<i>For 1953 or later model vehicles</i>
Laden Weight	Unladen weight plus 125% of unladen weight	Unladen weight plus 125% of unladen weight
Safe Laden Weight	112½% of Laden weight.	125% of laden weight.

The object of this change was to give transport vehicles the advantage of greater load capacity and also to secure for Government a higher tax in respect of transport vehicles which the owners had in the past been accustomed to overload.

The Darjeeling Branch, however, pointed out that it was not possible for the owners of transport vehicles in that area to take advantage of the extra load capacity which the Government rules were designed to give, because in a notification dated the 19th December 1956, Government had restricted loads on most of the roads in Darjeeling to 30/40 cwt. The unladen weight of a jeep (Type CJ3B), which was the vehicle most commonly used by gardens in Darjeeling, was 2134 lbs., and on the basis of the formula given above, its safe laden weight would amount to 6002 lbs. or 53½ cwt. which exceeded the maximum loads fixed under the 1956 notification. Furthermore, according to the manufacturers, the carrying capacity of a jeep was 3500 lbs. less 2134 lbs., the unladen weight of the vehicle, which amounted to 1366 lbs. or 13 cwt.

As the load carrying capacity of jeeps was limited by the load restrictions imposed on most roads in Darjeeling by Government, as well as by the capacity of the vehicle to pull heavy loads on the hill roads, it was considered inequitable that gardens should have to pay road tax for a load higher than the vehicles were, in practice, able or allowed to carry. Government was asked therefore to accept, in the case of vehicles owned by tea gardens in Darjeeling, either the manufacturers' declared safe laden weight or some other weight lower than the maximum, which was more in keeping with the weights which the vehicles were able and permitted to carry on Darjeeling roads.

Government is understood to have issued suitable instructions to the Deputy Commissioner, Darjeeling on this matter.

Telephone Service in the Dooars and Darjeeling.— Several suggestions were made during the year to the Post & Telegraphs Department to secure an improvement in the telephone services in the Dooars and Darjeeling.

(a) *Tukdah Telephone Exchange.* In view of the difficulties experienced in making telephone calls from Darjeeling to subscribers under the Tukdah Exchange, the Association asked the Director of Post & Telegraphs, West Bengal Circle to expedite the installation of an additional junction line from Darjeeling to Tukdah.

(b) *Phonogram service at the Kurseong and Ghoom Post Offices.*—At the Association's request the Post & Telegraphs Department introduced the phonogram service at the Kurseong Post Office and made arrangements for phonogram messages from Ghoom to be dealt with by the Darjeeling Telegraph Office.

(c) *Priority for Trunk Calls connected with law and order.* In 1956 the Postmaster General, West Bengal, had agreed that urgent trunk calls to the nearest police authorities or District Magistrate from tea garden managers, which were booked in connection with situations which were likely to disturb "law and order", should receive priority over other pending urgent calls. It was found, however, that this arrangement was inadequate because these calls did not receive priority over pending "immediate" calls. In July, the Association therefore addressed the Director General of Post and Telegraphs, New Delhi asking him to allow trunk calls booked by the Secretary, Dooars Branch on the subject of law and order to be treated under "Immediate" priority.

No decision has been received as yet from the Director

West Bengal Estates Acquisition Act.— (a) *General.* The West Bengal Estates Acquisition (Amendment) Act, 1961 was published in the Calcutta Gazette Extraordinary dated 24th April 1961, and gave effect to various amendments which were designed mainly to remove defects in the language of the original Act.

A large number of notifications was issued during the year by the Government of West Bengal amending the West Bengal Estates Acquisition Rules 1954, and these notifications were circulated to members for information.

A matter of interest, which came to the attention of the Association, was a decision by the Calcutta High Court in a case involving the Anandapur Tea Estate of Jalpaiguri to the effect that until Government took a decision under Section 6(3) of the Estates Acquisition Act, it could not issue notices under Section 10(2) or take possession of land thereunder.

(b) *Renewal of Tea Garden Leases.*— In a notification dated the 28th July 1961, which was published in the Calcutta Gazette Extraordinary dated 31st July 1961, the Government of West Bengal called for comments on certain draft amendments which they proposed to make to the West Bengal Estates Acquisition Rules 1954 and which included a draft tea garden lease as Schedule F.

The draft lease was examined in consultation with the Association's solicitors, and with representatives of the Indian Tea Planters' Association, and various comments were submitted to the Secretary to the Government of West Bengal, Land and Land Revenue Department.

With the object of taking a middle course between Government's view that all tea garden property is vested in Government under the Act, and the view generally held by the industry that tea estates were not intermediaries, and having regard to Government's desire (i) to utilise Section 6, sub-section 3, of the Act for the purpose of holding an enquiry into tea garden land and (ii) that compensation should be payable under the Act for such part of the land which the Enquiry Committee decided should go to Government on the grounds that it is no longer needed for the purposes of the tea estate, the Association suggested that Clauses 1 and 2 should be reworded as follows :—

Clause (1) —

"The land comprised in a tea garden held by a lessee after the completion of the enquiry contemplated in Sub-section 3 of Section 6 of the West Bengal Estates Acquisition Act, 1953, shall continue to be held directly under the State on the terms and conditions as specified in the lease in Form I appended to this Schedule. There shall be a lease in Form I in respect of each such lessee for a term of 30 years, renewable for similar terms in perpetuity and the same shall be registered and numbered in the office of the Collector, which term wherever it occurs in this Schedule and in Form I shall mean the Collector of the District."

Clause (2)—

"Notwithstanding the fact that a lease previously granted remains unexpired or that a lease previously granted shall have expired already and shall not have been renewed by a further 30-year lease, the first lease in terms of this Schedule shall be deemed to date either from the date of the final order passed by the Government under the aforesaid Sub-section 3 of Section 6 of the West Bengal Estates Acquisition Act, 1953, or from the date of the expiry of the previous lease, as the case may be."

It was suggested that Clause (8) should be modified to make it clear that forfeiture was not the normal penalty, but that it was to be applied only for breaches of the specific terms of the lease which carried the penalty of forfeiture. It was also recommended that the proviso "a breach of any condition of the lease may be condoned by the Collector on payment of a fine" should be retained.

The following amendments to Form I were suggested:

Clause 4 should be redrafted to read as follows:— "that the Lessee/Lessees shall at all times observe and conform with the terms of the lease."

Clause 7(b) should be redrafted so as to conclude with the phrase "the costs of such resurvey to be the actual costs or Rs. 7/50 an acre whichever is lower."

Clause 8(c) should conclude with the phrase "the Collector on the basis of the rent charged for the lands already held under the lease."

Clauses (10) & (11) should be omitted because conditions in the tea districts had changed considerably since similar clauses had been included in the original leases. Various Government organisations including the Tea Board now collected information regarding births and deaths and the progress of cultivation and the outturn of

tea and it was unnecessary that tea estates should be required to submit similar returns under their leases. It should not be necessary for chowkidars to be maintained on tea estates under the West Bengal Panchayat Act in view of the tea gardens' own security arrangements and the obligations imposed on gardens under the Plantations Labour Act and the Factories Act.

In Clause 15 the words "on the expiration of the period of the lease" should be replaced by the words "that on the surrender of the lease by the lessee or on its determination the Lessee Lessees etc.".

In Clause 16(a) the words "in perpetuity" should be added after the words "renewals for similar periods" and the following phrase should be added to the end of the clause :

"and conditions shall not be inconsistent with the express conditions and terms of this lease or with the law regulating such leases, and shall not have retrospective effect."

Clause (16)(c) should make it clear that the phrase 'tea garden' includes purposes ancillary to the manufacture of tea, such purposes to include without prejudice to the generality e.g. the growing of food crops for workers and for their livestock.

No developments have taken place since these suggestions were forwarded to Government.

West Bengal Forest Advisory Board.— Mr. R. D. C. McCall of Rydak Tea Estate in the Dooars continued to represent the Association on the West Bengal Forest Advisory Board during the year under review.

West Bengal Agricultural income tax : Test Case.— In the Association's report for 1958, it was mentioned that the Calcutta High Court had decided against the Association in the test case which had been filed regarding the validity of the

ruling that thatch, bamboo etc. were not agricultural income under the Act unless sold and that it was proposed to appeal against the decision to the Supreme Court.

The Association's appeal was admitted by the Supreme Court in November 1959, and the hearing took place in August 1961, when judgement was delivered against the Association. The Supreme Court confirming the correctness of the affirmative answers given by the Calcutta High Court to the following questions:—

- (i) is bamboo, thatch, fuel etc. grown by the assessee company and utilised for its own benefits in its tea business, agricultural income within the meaning of the Bengal Agricultural Income Tax Act?
- (ii) if the answer to question (i), be in the affirmative, can such income be computed under Rule 4 of the rules framed under the Act

The effects of the Supreme Court's ruling are being examined by the Association in consultation with solicitors and advice will be issued to members in due course.

Electricity supply in North Bengal.—(a) *Darjeeling*—Despite the representations made by the Association and the Darjeeling Branch, and the continued interest and sympathy shown by officials of the West Bengal State Electricity Board, no substantial improvement in the supply of electricity to tea gardens in Darjeeling was recorded during the year under review.

The Darjeeling Municipality purchased two 250 KW generating sets with the help of a loan of Rs. 5 lakhs from the Government of West Bengal and these sets are being installed at Lebong.

Difficulties have arisen over the supply of electricity to the Darjeeling Municipality from the Bijanbari Scheme, which will be commissioned early in 1962, because the Municipality does not have the finance to pay for the installation costs of the connection between the Scheme and the Giboom Power Station.

which are estimated at Rs. 87,000. A connection to the Singtom Power Station is likely to cost a similar amount, but the project is not supported by the State Electricity Board for technical reasons. As an alternative, the Electricity Board have offered to take over the existing line between Sonada and Ghoom from the Municipality in order to relieve them of the Konkholia Pumping Station load, which could then be made available to tea gardens in the Municipal area. The Municipality have not yet accepted the offer.

Two generating sets of 1000 KWs are expected to be installed under the little Rungneet Scheme, which has been approved by the Planning Commission.

(b) *Electricity Supply Control Advisory Committee*.—By a resolution dated the 7th January 1961, the Mines and Power Branch of the Commerce and Industries Department of the Government of West Bengal set up an Electricity Supply Control Advisory Committee to suggest, *inter alia*, ways and means to be adopted by Government for regulating the supply, distribution, consumption and use of electrical energy and in general to advise Government on deciding the priority *inter se* of applications for supply of such energy throughout the State of West Bengal. At the request of the Bengal Chamber of Commerce and Industry, who were represented on the Advisory Committee, the Association submitted a short resume of the position in the tea districts of the Dooars and Darjeeling.

(c) *State Electricity Consultative Council*.—At the request of the Darjeeling Branch, the Association asked the Development Department of the Government of West Bengal to consider the nomination of a representative of the Association on the State Electricity Consultative Council as members were likely to be vitally concerned with the Jaldacca Hydro-Electric Scheme and other similar projects, which Government had in hand for the improvement of the supply of electricity in the tea districts of North Bengal. Government advised the Association that the matter was receiving consideration but up to the end of the year the suggestion had not been accepted.

Representation on the Regional Transport Authority for the District of Darjeeling.— In a notification dated the 25th April 1961, the Government of West Bengal reconstituted the Regional Transport Authority for the District of Darjeeling but the new Committee did not include a representative from the Darjeeling Branch, which had previously been represented on this body.

As the decisions of the Regional Transport Authority are of vital importance to the Branch and, as the tea industry represents the major transport owning interests in the Darjeeling District, the Association addressed a representation to the Home (Transport) Department of the Government of West Bengal asking that the constitution of the Authority should be reviewed.

The Government of West Bengal, however, regretted their inability to accede to the Association's request on the grounds that the authority had been re-constituted in pursuance of a policy laid down by Government which was applicable to all Regional Transport Authorities in the State and it was not possible to make any modifications in respect of any particular Regional Transport Authority to allow for the representation of any special section of road users.

Training of Dais in Darjeeling.— The courses organised by the Deshbandhu Dai Training Society at Darjeeling continued to be held in 1961 and a number of tea garden nominees attended, applications for admission being channelled through Association and the Tea Board.

Dooars and Darjeeling Nursing Home.— Dr. (Mrs) M. A. Patterson, M.B., Ch.B., F.R.C.S.E., resigned her appointment as Superintendent of the Dooars and Darjeeling Nursing Home and left the Association's services in July 1961. The Association was fortunate in securing the services of Dr. R. G. Azizkhan, M.B.B.S., F.R.C.S. (Edinburgh), F.R.F.P.S. (Glasgow), F.R.C.S. (Ireland) to take her place.

Last year, after a thorough investigation of the accounting system of the Nursing Home it had been decided that patient's

fees and school subscriptions should be increased by 25 per cent. When the budget estimates for 1961 were being examined, it was found that these increases would not be sufficient to enable the Nursing Home to avoid a deficit. As the Nursing Home had suffered deficits in the previous two years also, the Association reluctantly agreed that tea company subscriptions should also be increased by 25 per cent and the 1961 rates were fixed as follows :—

Darjeeling gardens	Rs. 1.87 per acre.
Terai Gardens	Rs. 1.56 per acre.
Dooars gardens other than	
Eastern Dooars	Rs. 0.75 per acre.
Eastern Dooars gardens	Rs. 0.50 per acre
Special Health Scheme	Rs. 1.87 per acre.

During the year the finances and accounting system of the Nursing Home were kept under constant review and the Bengal Chamber of Commerce and Industry kindly agreed to reduce its charges for services to the Nursing Home from Rs. 200 p.m. to Rs. 100 p.m. The Tea Planters Benevolent Institution also decided to write off the loan of Rs. 40,000/- which had been granted to the Nursing Home by the North Bengal Mounted Rifles Trust and which had been gifted to the Institution in 1955.

Dooars Chaplaincy Scheme.— Since 1958, Agency Houses with interests in the Dooars had been contributing to the Dooars Chaplaincy Scheme at the rate of Rs. 150 per garden. During the year under review the Sessions Clerk of the Dooars Chaplaincy, Kirk Session, requested subscribing tea gardens to pay their subscriptions on an acreage basis at the rate of 17 nP. per acre. This change was suggested because it was found that a loss of income occurred whenever tea estates were amalgamated. The Darjeeling and Dooars Sub-Committee examined this proposal and decided that the current year's subscription should continue on a garden basis but that next year's subscriptions should be collected on an acreage basis.

Darjeeling Chaplaincy Fund.— In 1948, the Association gave an assurance to the Metropolitan of India that on condition that a Chaplain was maintained in Darjeeling, an annual contribution of Rs. 5,000/- would be guaranteed by the Industry to assist in the upkeep of the Chaplaincy. During the year under review Agency House gardens in the Darjeeling District contributed at the rate of 40 nP. per acre to raise the guaranteed sum and the total collection, which amounted to Rs. 5,976/42, was paid to the Bishop of Barrackpore under whose jurisdiction Darjeeling falls.

A. C. H. DOLPHIN,

Chairman,

Darjeeling & Doars Sub-Committee.

Royal Exchange,

Calcutta 1st February, 1962.

REPORT OF THE SCIENTIFIC DEPARTMENT SUB-
COMMITTEE FOR THE YEAR ENDING 31ST
DECEMBER, 1961.

The following persons served as members of the Scientific Department Sub-Committee during 1961.

Mr. A. K. J. Henderson,	...	} James Warren & Co., Ltd
<i>Chairman</i>	...	
Sir Richard Duckworth, Bt.	...	
Mr. P. B. Nicholls,	...	} Williamson Magor & Co., Ltd
<i>Vice-Chairman</i>	...	
Mr. M. S. Christie	...	} Duncan Brothers & Co., Ltd
Mr. J. D. W. Allan	...	
Mr. N. S. Coldwell	...	} James Finlay & Co., Ltd.
Mr. A. N. Sircar	...	
Mr. A. C. H. Dolphin	...	} Shaw Wallace & Co., Ltd.
Mr. D. B. Wallace	...	
Mr. H. K. FitzGerald	...	Balmer Lawrie & Co., Ltd
Mr. D. F. Gibbs	...	Gillanders Arbuthnot & Co., Ltd.
Mr. G. Kydd	...	} Octavius Steel & Co., Ltd
Mr. M. C. Whear	...	
Mr. I. F. Morriss	...	Jardine Henderson Ltd
Mr. G. F. Oldham	...	} Andrew Yule & Co., Ltd
Mr. P. A. Francis	...	
Hon. S. P. Sinha	...	} Macneill & Barry Ltd.
Mr. M. C. Taraporvala	...	
Mr. G. A. Whitaker	...	} Gillanders Arbuthnot & Co., Ltd.
Mr. G. W. Maycock	...	

When Mr. Henderson proceeded on leave on the 1st June 1961, Mr. P. B. Nicholls acted as Chairman until Mr. N. S. Coldwell returned from the U.K. in the middle of June and took over the Chairmanship of the Sub-Committee.

Organisation of Tocklai Experimental Station.— At the end of the year under review the senior staff at the Experimental Station consisted of :—

Tocklai Establishment.—

Director	...	Mr. N. G. Gokhale
Administrative Officer	...	Mr. W. F. Grieve
Finance & Accounts Officer		Mr. M. K. Choudhury
Maintenance Engineer	...	Mr. N. C. Barua

Botany Branch.—

Senior Botanist		Dr. D. N. Barua
Botanist	...	Mr. W. Hadfield
Additional Officer	...	Mr. P. K. Barua

Agriculture Branch.—

Senior Agriculturist	...	Dr. K. N. Sharma
Agriculturist	...	Mr. S. K. Basu

Physical Chemistry Branch.

Senior Physical Chemist		Dr. K. G. Tejwani
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Biochemistry Branch.

Senior Biochemist		Dr. I. S. Bhatia
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Tea Tasting and Manufacturing Advisory Branch.—

Senior Manufacturing Adviser	...	Mr. J. M. Trinck
Assistant Tea Taster	...	Mr. R. Choudhury

Plant Protection Branch.—

Senior Entomologist		Dr. G. M. Das
Mycologist	...	Dr. V. Agnihotribrudu
Pesticide Testing Officer	...	Dr. T. D. Mukerjee

Statistics.—

Senior Statistician ... Dr. A. R. Sen

Engineering Department.—

Senior Research Engineer Mr. I. McTear

Research Engineer Mr. D. N. Borbora

Organisation in the Advisory Services.—

ASSAM:—

Chief Advisory Officer ... Mr. S. K. Dutta

Acting Advisory Officer, ...

North Bank .. Mr. H. Mitra

Acting Advisory Officer,

Cachar ... Dr. P. C. Sharma

Officers under Training ... Mr. J. D. Moir
Mr. J. Wainwright

WEST BENGAL:—

Senior Advisory Officer ... Mr. W. J. Grice.

Staff.—

(a) *The Director*.—Mr. H. Ferguson retired from the Association's services on the 5th June 1961 and Mr. N. G. Gokhale, the Senior Physical Chemist, was appointed Director of the Station in his place.

(b) *Appointments*.—Mr. W. F. Grieve took up his appointment as Administrative Officer on the 10th January 1961. Two new Advisory Officers joined the Station during the year : Mr. J. D. Moir on the 31st March 1961 and Mr. J. Wainwright on the 28th November 1961. Dr. K. G. Tejwani was appointed on the 9th September 1961 as Senior Physical

Chemist to fill the vacancy created by the appointment of Mr. N. G. Gokhale as Director.

(c) *Resignations and Retirals.* Mr. A. D. Swan, Scientific Officer (HQ) resigned and left Tocklai on the 15th February 1961. Mr. K. C. Sarmah the Mycologist retired on the 18th April 1961 after a record of 46 years of service. Mr. R. I. Macalpine, Senior Advisory Officer, West Bengal retired on the 4th May and Mr. P. M. Glover, Senior Advisory Officer, Assam on the 2nd July, 1961.

Dr. W. Wight the Senior Botanist and Plant Physiologist retired after over 30 years service on the 19th December 1961.

(d) *Transfers/Promotion.* Dr. Apurbochoudhury took over from Mr. K. C. Sarmah as Mycologist on 18th April. Mr. W. J. Grace was appointed Senior Advisory Officer, West Bengal, on 4th May in place of Mr. Macalpine. Mr. S. K. Dutta was appointed as Chief Advisory Officer, Assam on 2nd July in place of Mr. Glover and Dr. K. N. Sharma was confirmed as Senior Agriculturist on 8th September 1961.

(e) *Leave.* - Mr. N. G. Gokhale the Senior Physical Chemist was on leave from the 1st January, 1961 to 1st May, with breaks from the 29th January to 19th February and from 16th March to 1st April, when he undertook special assignments.

Mr. W. Hadfield the Botanist who had been on overseas-cum-study leave since the 18th July 1960 returned to the Station on the 14th December, 1961. Mr. J. M. Trimick, the Senior Manufacturing Adviser was on leave from the 8th June to 3rd November 1961. Dr. D. N. Barua, the Plant Physiologist was on leave from the 19th June to 9th November 1961. Mr. L. McTear, the Senior Manufacturing Adviser was on leave from 4th June to 5th August.

Mr. D. N. Borbora proceeded on long leave on the 1st November 1961 and Dr. A. R. Sen left the Station on leave on the 7th December. Dr. Sen will be undertaking a teaching assignment in the U.S.A. during his leave.

The following officers were also on annual leave during the year : Mr. K. N. Sarmah, the Senior Agriculturist, Dr. V. Agnihothrudu, the Mycologist, Dr. T. D. Mukherjea, the Testing Officer, Mr. N. C. Barua, the Maintenance Engineer, Mr. H. Mitra, the Acting Advisory Officer, North Bank, Dr. P. C. Sharma, the Acting Advisory Officer, Cachar and Mr. R. Choudhury, the Assistant Tea Taster.

Mr. P. K. Barua rejoined his duties on the 2nd January.

(b) *Visits.* Mr. N. G. Gokhale visited Ceylon from 15th to 22nd January. After visiting the Tea Research Institute and gardens, he attended the Tea Research Institute's Biennial Conference in Colombo on 20th and 21st January. Mr. R. Choudhury visited the tea brokers at Calcutta from 8th to 19th January. Dr. Bhatia attended the Science Congress at Roorkee from 1st to 7th January and also the Summer School in Organic Chemistry, organised by the Government of India, Ministry of Scientific and Cultural Affairs, at Shillong from 18th May to 1st June. Dr. Barua represented the Director at the UPASI Scientific Conference at Coonoor on 12th September. He also visited the Tea Research Institute of Ceylon and few gardens in the High Range (South India) between 20th October to 7th November.

Branches.—The Physico-Chemical Branch continued its investigations into the long term effects of ammonium sulphate treatment and data have been collected regarding the mineral composition of tea leaf. Continuous application of ammonium sulphate decreases the calcium content of tea leaf and similar results were obtained for potassium. Data in respect of magnesium was not conclusive and further work is in hand in respect of the variations in all the mineral constituents. Data have also been collected in respect of the calcium, magnesium, potash and phosphate contents of plucked shoots and leaf of different physiological ages from individual bushes of clones and commercial "jats" of tea. 2,171 soil samples were analysed by the Branch in connection with selection of nursery sites and areas for planting of tea. The Branch continued to

be responsible for the meteorological observations at Tocklai and at the sub-stations.

The Botanical Branch continued its work on Breeding, Morphology, Taxonomy and plant physiological studies. Mass selection by commercial seed growers has resulted in the well known jats of Assam seed but past attempts by commercial concerns to produce hardy jats with Assam quality have not been successful. Line breeding has, therefore, been practised at Tocklai with the object of producing improved clonal seed. Seed from two of the bi-clonal seed baries is now under trial at Borbhetta and will be sent out to selected commercial estates in 1963-1964. The work carried out on selection for quality and strength of made tea, based on anatomical and morphological criteria, has been written up for publication. The variation in yield with tipping height shows maxima at certain heights and the interaction of nitrogen application and plucking heights is under investigation. Preliminary results are now available from a field trial started in 1958 with clonal tea to study the effects of mechanical vs. tree share.

The Agricultural Branch continued with the field trials at Borbhetta and co-operated with the Advisory Branches in carrying out field trials in different tea estates in northeast India. A total of 126 field trials continued in 1961. The main subjects under study were manuring, species of trees for use as shade, spacing of tea, rehabilitation of land, weedicides etc. The manurial trials with different forms of nitrogenous fertilisers confirm the previous finding that Urea is not as efficient as ammonium sulphate. Preliminary results are now available from the trials with new species of trees and some of them are now being recommended to commercial estates on a trial basis. The trials carried out with various weedicides have shown promising results and one of the products tested, called Simazine, is now being recommended on a trial basis for control of weeds in tea.

The Entomological section continued its studies on the life history and control measures for red spider. The effects of cold weather cultivation and spraying in winter were investi-

gated and it is concluded that the latter can be helpful in controlling red spider. In 1961 there was a widespread incidence of scarlet mite and a study of the biology of this mite is in progress. 525 specimens of insects and soil samples (for eel-worm count) were examined by the section.

The Mycological section continued its investigations on the fungus diseases of tea and ancillary crops. A special technique has been evolved which is suitable for qualitative assessment of the fungal flora of tea soils. Investigations into the influence of shade on the incidence of red rust, and observations on the susceptibility of different clones to this algal parasite, are in hand. The section participated in certain fungicidal trials and it was observed that Dufer was as effective as Cooper Sandoz against black rot but not against red rust.

The Pesticide Testing Unit continued its work on the screening of pesticides and herbicides and standardisation of techniques and test insects. During recent years a number of new acaricides have been under trial for control of red spider and, out of all the products tested, Tedion showed the most promising result. Endrex, Aldrex, Dieldrex etc. were tried out against looper caterpillar. Rogor, Ekatin and Endrex were found to be highly effective against Tea Aphis. During the year, 8 new products were received for test and certificates were renewed in the case of 18 products.

The Biochemistry Branch continued its investigations on the polyphenols of tea leaf, nitrogen metabolism of excised tea shoots etc. A method of estimation of individual polyphenols by paper partition chromatography was standardised and this technique has been used to study the changes occurring in the polyphenols during manufacture of tea under different conditions. The effects of varying the periods of rolling and the times and temperatures of fermentation, on the chemical changes occurring during manufacture and production of theaflavins and thearubigins, were studied. Data have been collected regarding the changes occurring in the nitrogen fraction of tea leaf during natural and artificial withering. The Branch co-operated with the Engineering Development and the

Manufacturing Branches in the tests carried out in the pilot factory.

The Tea Tasting and Manufacturing Advisory Branch worked in close co-operation with the Engineering Development Branch in the trial of new machinery and the various tests carried out in the pilot factory. The tasting of clonal and other samples received from commercial estates and other branches at Tocklai continued and the Senior Manufacturing Adviser visited 75 tea estates in different tea districts of north-east India to advise on manufacturing problems. Trials were carried out in Darjeeling with the Rotoryane and the Shizuoka tea stalk separator with Orthodox, CTC, and Lapsa Cut teas. Tests were also carried out with Plastic Rung Bowls and a detergent powder, called "Sulfa", with satisfactory results.

The Engineering Development Branch continued its work on machinery development and factory experiments. Development of the Tocklai Continuous Roller was completed and the first batch of commercially produced machines will be in operation in selected tea estates in 1962. Further tests were carried out in respect of varying the temperatures and conditions of drying tea. Preliminary investigations into stimulated conditions designed to bring about a reduction in fermentation timings, and development of a continuous fermentation and drying machine were in hand. Experiments were carried out with a rotary pressure control device fixed to the rotor shaft of the Rotoryane.

The Statistical Branch continued its investigations into Crop-Weather relationships, Survey work etc. Analysis of data from 161 tea estates in Assam show a significant relationship between the seasonal rainfall pattern and annual yield. Data from the uniformity trial conducted at Silcowrie (Cachar), to determine the optimum size and shape of plots for field experiments, confirm the previous finding about the increase in experimental accuracy with number of bushes per plot. Data from the survey of pests and diseases carried out in 1960 were analysed. Further information is now available about the dis-

tribution, intensity and the resultant loss in crop from pests and diseases in different tea districts of north-east India.

During the year there was some curtailment in the advisory services due to retirement of two Senior Advisory Officers. Replacements have, however, been made and the new officers are under training at Tocklai. It was possible to maintain the advisory services in Assam by internal transfer of staff and a total of 275 tea estates were visited. Advisory service in West Bengal was, however, on a reduced scale and visits were paid to only 102 tea estates. Advice was sought by tea estates on a variety of problems including selection, manuring, shade trees, pests and diseases etc. In all, 71 field trials were in progress during the year on commercial estates in different tea districts and these were looked after by the respective Advisory Branches in co-operation with the Agricultural Branch at Tocklai.

Visit by Duke of Edinburgh.— Tocklai was greatly honoured by a visit from His Royal Highness Prince Philip, Duke of Edinburgh on Friday 17th February. His Royal Highness was accompanied by Admiral Bonham Carter, the UK Deputy High Commissioner Major General Bishop, the Chairman Indian Tea Association, Calcutta Mr. N. S. Caldwell and the Chairman Scientific Department Sub-Committee Mr. A. K. J. Henderson.

The visit was scheduled to last for 45 minutes, and in order to get as much as possible into this period, an exhibit was laid out in a single laboratory to represent the work of all the Station's scientific and advisory branches. The exhibit was arranged to deal, in order, with the physical environment of the tea crop, the tea plant itself, its pests and diseases, the manufactured tea, the experimental work at Borbhetta on tea selection and breeding and on tea culture, technical information from statistical surveys, and the checking and dissemination of information through the tea areas by advisory services. Living and dead species, maps, diagrams, books and pamphlets, and pieces of apparatus were all used in the exhibit. His Royal Highness also visited the pilot factory and saw the new machines developed by Tocklai and the teas made from them.

Tocklai Experimental Station celebrated its jubilee in 1961 and it was a happy coincidence that His Royal Highness Prince Philip should visit the station in the same year. A jubilee issue of "Two and a Bud" was prepared to celebrate this occasion.

Visit by Sir Frank Engledow.— In January/February 1961, Sir Frank Engledow visited India to examine and give advice on the programme of work for the Scientific Department. He stayed at Tocklai for a period of over three weeks to review the station's scientific work in the light of the current need for economy and possible alterations in the constitution of the station. Sir Frank had detailed discussions with all resident members of the station's staff, and the mutual exchange of information and views was of the greatest value.

Visit by Professor A. R. Clapham.— Professor A. R. Clapham, M.A., Ph.D., F.R.S., Professor of Botany at the University of Sheffield and a member of the London Advisory Committee's Scientific Panel paid a visit to India in November-December 1961. He stayed at Tocklai for a period of two weeks and also visited the Doxars and Darjeeling. He had detailed discussions with all the members of the Tocklai Staff and was able to obtain a first hand knowledge of the research work being carried out by the Station.

On his return to Calcutta, Professor Clapham met members of the Scientific Department Sub-Committee to whom he gave his impressions of the work being done at Tocklai and in the Doxars and Darjeeling and he made several very useful suggestions, which will be followed up in due course by the Director.

Other Visitors. As before, there were a large number of visitors to the Station. The following are mentioned specially :—

- (i) Prof. Humayun Kabir, Minister, Scientific Research and Cultural Affairs, Government of India, on 18th March.

- (ii) A party from the Tea Research Institute, Ceylon consisting of Mr. F. Amarsuriya, Chairman, Control Board, Dr. D. L. Gunn, Director, Mr. N. M. Sanders, a planter and Mr. E. L. Keegal, Tea Technologist between 21st to 26th May.

Tea Research Association.— Enquiries were made concerning the possibility of obtaining financial assistance for the Scientific Department through the Council for Scientific and Industrial Research. It appeared that aid could be obtained for capital and revenue expenditure provided that a separate organisation is constituted which would be open to the members of all tea-producing associations in North-East India. Consideration was therefore given to the formation of a 'Tea Research Association'.

Early in the year a number of important meetings took place between representatives of the Association and representatives of the C.S.I.R. and others. Some initial difficulties were experienced owing to the fact that Tocklai scales of pay and allowances are considerably higher for certain grades of staff than those prescribed under the rules of the C.S.I.R. It was agreed that the Indian Tea Association should pay the difference between the C.S.I.R. scales and the actual emoluments of Tocklai staff, and that this would be in addition to the general subscription payable by I.T.A. members to the T.R.A. The Association also offered to place the entire assets of Tocklai Experimental Station and its branches at the disposal of the T.R.A. without payment on condition that those assets would be returned intact if at any time the T.R.A. ceased to exist or I.T.A. members decided to resign from the T.R.A. Negotiations for the formation of a T.R.A. are continuing.

Tocklai Annual Conference.— The 18th Annual Conference took place at Tocklai Experimental Station on the 12th, 13th and 14th December 1961 and dealt with problems concerning Shade, Replanting, Pesticides and Withering. Papers were read by various members of the staff and time was given for

questions and discussion. Visits were arranged to the laboratories and field plots at Tocklai and to selected areas at Borbhetta.

Lecture Courses.— Three one week courses were held in February and March 1961. About 25 planters attended each course. The courses were designed to assist managers and assistant managers in keeping up to date with scientific knowledge in tea cultivation and manufacture. The courses were run by the Advisory Branch and consisted of lectures in the morning and field and factory demonstrations in the afternoon.

Last year it was found necessary to cancel the project for holding short lecture courses on plucking. This year two courses on plucking were held at Tocklai during August, each course being attended by 27 planters. Later in the year two special one day lecture courses on plucking were organised for planters in Darjeeling and 46 planters attended.

Two short courses on vegetative propagation were held in November 1961, each course lasting for a period of three days. 51 planters attended.

Labour Relations.— Conciliation proceedings took place early in the year concerning the dispute over the retrenchment of three junior staff at the end of 1960 as part of the Association's economy measures. The dispute was narrowed down when two of the retrenched employees were re-employed in order to fill two vacancies in the junior staff. The case of the third retrenched employee was later referred to a tribunal. A further dispute concerning a claim for promotion by a member of the junior staff was also referred to a tribunal. The hearings are expected to commence about the middle of 1962.

In the Association's report of 1959 it was recorded that the Industrial Tribunal, Assam in an award dated 16th May 1959 had held that Pujya Bonus should be paid to Junior Staff at Tocklai at the same rate as that given to employees working for the Association in Calcutta and that as a result of an appeal to the Supreme Court a Stay Order had been granted in September 1959 subject to the proviso that the management

should pay the bonus to any employee who was able to furnish security for refunding the amount in the event of the appeal being allowed. The Tocklai Employees Union also entered a cross appeal against the dismissal of the claim for pension, and paying for the back-dating of the bonus and house allowance awarded in January 1955.

When the appeal was heard by the Supreme Court on 9th November, 1961, their Lordships indicated to the Attorney-General, who appeared for the Association, that they would deliver judgment allowing the appeal and dismissing the cross appeal. At the same time, the Association was asked to consider, on a plea of hardship by Counsel for the Union, whether it would agree to forego all claims for the recovery of the advances which had already been made. After consulting the Attorney-General it was considered desirable to authorise him to offer to waive the recovery of one year's bonus payment, and to allow the remaining two years' payments to be repaid by easy instalments or in a lump sum at the time of retirement.

When the matter came up for mention again on 15th November, Counsel for the respondents tried to argue that the cross appeal had not been pressed on the tacit understanding that the Association would forego all claims to recovery of the amounts already paid, and that if the recovery of the subsequent two years' bonus was insisted upon it would be open to the employees to raise a further dispute for the years in question, and for the subsequent years. The Court, however, promptly dismissed both these contentions and observed that the offer made by the Association was more than generous, and that if the employees were so inconsiderate as to make further demands, judgment would be pronounced without reference to the Association's offer. In the light of this attitude, Counsel for the workmen did not press the matter further.

The Court's judgment was delivered on the 24th November and provided for the refund by the employees of two-thirds of the bonus received by them in instalments or at the time of

retirement. Action is now being taken to determine the employees' wishes on this matter.

Several other issues relating to labour, subordinate staff, artisans and junior staff were the subject of conciliation proceedings during the year. Tribunal hearings took place concerning a claim by the junior staff for increased dearness allowance and a decision is awaited.

Scientific Department Publications.—In addition to the usual quarterly and other reports issued by the Scientific Department the following articles were published in India and foreign scientific journals, and by the Association in its own publications

Articles in Scientific Journals etc.

1. Estimating the probable change in Yield with Time, on Altering the Level of manuring of Tea, by N. G. Gokhale.
2. Soils of Tea growing tracts of India by H. H. Mann and N. G. Gokhale.
3. The Phenolic substances of manufactured Tea IV—Enzymic Oxidations of Individual substrates by E. A. H. Roberts and Mrs. M. Myers.
4. The Phenolic substances of manufactured Tea V—Hydrolysis of Gallic Acid Esters by *Aspergillum* *niger* by E. A. H. Roberts and Mrs. M. Myers.
5. The Phenolic substances of manufactured Tea VI—The preparation of Theaflavin and of Theaflavin Gallate by E. A. H. Roberts and Mrs. M. Myers.
6. The Phenolic substances of manufactured Tea VII—The preparation of individual flavanols by E. A. H. Roberts and Mrs. M. Myers.
7. The Phenolic substances of manufactured Tea VIII—Enzymic Oxidations of polyphenolic mixtures by E. A. H. Roberts and Mrs. M. Myers.

8. Spectrophotometric measurements of Theaflavins and Thearubigins in Black Tea Liquors in assessments of quantity in teas by E. A. H. Roberts and R. F. Smith.
9. Phosphate manuring of Green Crop for Tea Plantations by S. K. Dutta and K. N. Sharma.
10. The significance of Seed-Size in cultivated Tea (*Camellia sinensis* L.) By D. N. Barua.
11. The concept of Kind of Tea by W. Wight and R. C. J. H. Gilchrist.
12. On the Biology of *Rhyacionia modesta* Walker (Lep. Noctuidae), a serious pest of Nursery and Young Shade Trees in Tea of North-east India by G. M. Das and N. Sengupta.
13. Notes on Fungi from Northeast India. VI. *Xylomyces andromeda* Pat. on Tea (*Camellia sinensis* L.) (O. Kuntze) by V. Agnihotritudu and G. C. S. Barua.
14. Notes on Fungi from Northeast India. VII. *Taraxia* gen. nov. causing the "Thorny Stem Blight" of tea (*Camellia sinensis* L.) (O. Kuntze) by V. Agnihotritudu.
15. Rhizosphere Microflora of Tea (*Camellia sinensis* L.) (O. Kuntze) in relation to the Root Rot caused by *Ustilina Zonata* (T.E.V.) Sec. by V. Agnihotritudu.
16. Tea seed resources of Northeast India by W. Wight.
17. Occurrence of Actinobolus in Indian Soils by V. Agnihotritudu.
18. Shoot production in cultivated tea (*Camellia sinensis* L.) II. The Branch system by D. N. Barua.
19. Root Growth of Cultivated Tea in the Presence of Shade Trees and Nitrogenous Manure by D. N. Barua and K. N. Dutta.

20. Oxidation of 1-Epicatechin gallate during the Processing of Assam Tea Leaf by I. S. Bhatia and Md. R. Ullah.
21. Polyphenolic Pattern of Tea Shoots by I. S. Bhatia and Md. R. Ullah.

Journals.

1. Annual Report of the Scientific Department for 1960.
2. "Two and A Bud" (Lockhart Newsletter) Vol. VIII, Nos. 1, 2, 3, 4.
3. West Bengal Advisory Branch, Darjeeling & Terai Memorandum No. 1, "Red Rust in the Darjeeling District" by W. J. Grace.
4. West Bengal Advisory Branch, Darjeeling & Terai Memorandum No. 2 "Young tea in Darjeeling with particular reference to Pruning" By W. J. Grace.

Tea Encyclopedia Serials

NEW SERIALS

123. (Contd.) Appendix to General Index of Tea Encyclopedia (Complete for serials issued from 1958 to 1960)
131. (Contd.) Appendix to General Index of "Two and A Bud" Vol. I-V (1954-1968) (This appendix includes articles 1959-60)
155. Index of Articles published in "Two and A Bud" 1954-1960 (In Chronological order)
156. Glossary of Terms used in the Cultural Operations in Tea
157. Metric System: Useful Tables on Planting distances
158. Metric System: Useful Table on Fertilizer Application
159. Metric System: Useful Tables on Plucking and Heights.

Revised Serials:—

- 33/4 Recipes for Pesticides which can be prepared Home Made on the Garden.
- 48/1 Control of Red Slug Caterpillar.
- 40/3 Crotalaria Anagyroides.
- 43/3 Infilling and Treatment of Intills.
- 53/3 Medium Pruning.
- 62/1 Revised Appendix to Tea Encyclopaedia Serial No. 62/1—Note on Spraying Technique Against Blister Blight.
- 74/2 Indian Tea Association Scientific Department List of Available Publications Revised up to 1st January, 1961.
- 75/4 Index of Encyclopaedia of Tea Serials issued to January, 1961.
- 76/1 Control of Looper Caterpillar (*Biston suppressaria* Guen).
- 90/1 Manuring of Seed Bars.
- 115/1 N. P. K. Manuring of Tea Seed Nurseries.
- 121/1 Handling of Plant Protection Products and Hazard to Operators.
- 122/1 Classified Index of Encyclopaedia of Tea.

N. S. COLDWELL,
Chairman
Scientific Department
Sub-Committee

Royal Exchange,
Calcutta, 1st February, 1962

INDIAN TEA ASSOCIATION.

STATEMENTS OF ACCOUNTS
For the year 1961.

INDIAN TEA **BALANCE SHEET**

LIABILITIES.	Rs.	nP.	Rs.	nP.
CAPITAL ACCOUNT				
As per last Balance Sheet ...	26,55,374	45		
Less : Deficit for the year ...	17,218	92		
	26,38,155	53		
Add : Amount transferred from Scientific Department ...	72,193	00	27,10,348	53
SPECIAL LEVY FOR LEGAL EXPENSES				
As per last Balance Sheet ...	12,583	68		
Add : Amount transferred during the year 34,860 00				
Refund received during the year 7,113 94	41,973	94		
	54,557	62		
Less : Expended during the year ...	3,094	00	51,463	62
LOANS UNSECURED			1,01,412	00
SUNDRY CREDITORS				
For Expenses ...	48,169	48		
„ Other Finance ...	11,856	68		
Lokpriya Bordoloi Memorial Fund ...	30,600	19		
Planters Amenities Fund ...	63,260	94		
Staff Savings Fund ...	11,436	24		
Advance Subscriptions ...	1,293	37		
Due to Indian Tea Association Scientific Department ...	1,32,953	21	2,99,570	11
TOTAL RS.			31,62,794	26

AUDITORS' REPORT

We have audited the foregoing Balance Sheet of the Indian Tea Association as at 31st December, 1961 and the Income and Expenditure Account for the year ended on that date in which have been incorporated the certified returns from the Indian Tea Association, London. We have obtained all the information and explanations we have required. Subject to our report of 10th February, 1962, concerning the returns from the Director, Tocklai Experimental Station, in our opinion the Balance Sheet sets forth correctly the position of the Association according to the best of our information and the explanations given to us and as shown by the books of the Association.

LOVELOCK & LEWIS,
Chartered Accountants.

Calcutta, 23rd February, 1962.

ASSOCIATION

as at 31st December, 1961.

ASSETS		Rs.	nP.	Rs.	nP.
FIXED CAPITAL EXPENDITURE (As per Schedule)					
Labour Department	...	6,96,629	00		
Engineering Department	...	1,75,874	00		
General	...	2,32,192	00	11,04,695	00
OUTSTANDINGS					
Subscriptions					
Considered Good	1,23,662.64				
Considered Doubtful	21,432.26	1,45,094	90		
Interest accrued	...	19,131	33		
Income Tax on Security Interest	...	8,021	30		
Supplies	...	85,013	52	2,57,261	05
ADVANCES	...			2,20,214	21
DEPOSITS					
Telephone	...	4,140	00		
Supplies	...	3,040	00		
				7,180	00
				2,014	85
STOCKS CONSUMABLE					
INVESTMENTS AT COST					
1. Loan 1981 for	Rs. 4,56,800	4,49,948	00		
2. Bonds 1962 ..	.. 1,01,800	99,636	75		
3. Loan 1983 ..	.. 1,00,400	1,00,799	60		
3. Loan 1989 ..	.. 1,01,100	99,937	35		
4. Loan 1979 ..	.. 2,00,000	2,00,000	00	9,49,521	70
CASH AND BANK BALANCES					
With State Bank of India on Current Account	...	5,89,111	20		
Indian Tea Association, London at National and Grindlays Bank Limited	...				
A/c Development Panel £ 1761/16 s	...	23,531	97		
Adviser, Shillong at State Bank of India	Rs. 6192.81				
In hand	169.62	6,362	45		
Labour Adviser, Darjeeling Branch Indian Tea Association on Imprest Account	...	1,000	00		
Cash in transit	...	1,601	83	6,21,607	45
TOTAL RS.				31,62,794	26

W. D. HYDEN,
SecretaryI. T. MORRIS,
Chairman

INDIAN TEASchedule of Fixed

	Cost to 31st December 1960		Additions 1961		Sales during 1961	
	Rs	nP.	Rs.	nP.	Rs.	nP.
LABOUR DEPARTMENT						
Bungalow and Staff Quarters						
Jorhat A/c. Labour Officer	1,47,484	62	292	00		
„ Assistant Labour Officer	2,14,537	09	3,302	25		
Dooars „ Labour Officer	3,17,642	86				
„ Assistant Labour Officer	1,82,591	76				
Sonabheel A/c Labour Officer	40,407	59	2,852	00		
„ Asstt. Labour Officer	2,36,066	44	2,604	75		
Secretary's Bungalow at Surma Valley	36,276	75				
Office Equipment	28,141	03				
Bungalow Furniture	1,00,470	63	7,832	12		
Leasehold Land at Darjeeling	3,977	50				
Labour Officer's Bungalow at Darjeeling			72,193	00		
Total	13,07,596	27	89,076	12		
ENGINEERING DEPARTMENT						
Withering Chamber	66,148	81				
Machine Tools Equipment & Instrument	42,970	56				
Furniture & Fittings	10,473	32				
Bungalow	1,20,189	67				
Power House & Workshop Building	53,933	94				
Electrical Installation	1,51,496	59				
Pilot Factory & Prototype Machinery	5,54,211	72	28,041	13		
Engineer's Office at Tocklai	12,174	53				
Engineering Staff Quarters	31,346	32				
Total	10,42,939	46	28,041	13		
GENERAL						
Motor Cars	2,11,865	48	20,089	35	42,663	16
Advisers' Air Conditioning Plant	46,166	42	4,166	53		
Advisers' Furniture & Fittings	74,617	50	3,466	00		
Shillong Adviser's Office Equipment	16,584	20	1,475	80		
Advisers' Equipment	4,922	32				
Cinema Projection Equipment	3,781	62	1,376	65		
Shillong Adviser's Bungalow			4,815	00		
			1,11,852	17		
Total	3,61,937	54	1,47,241	50	42,863	16
As per last Balance Sheet					1,54,584	48
Less adjustment in respect of sales					31,382	66
					<u>1,23,201</u>	<u>82</u>

ASSOCIATION.

Capital Expenditure

Cost to 31st December 1961		DEPRECIATION								Balance as at 31st December 1961	
		To 31st Decem- ber 1960		For 1961		To 31st Decem- ber 1961					
Rs.	nP.	Rs.	nP.	Rs.	nP.	Rs.	nP.	Rs.	nP.	Rs.	nP.
1,47,776	62	87,409	62	6,037	00	93,446	62	54,330	00		
2,17,839	34	83,479	09	13,436	25	96,915	34	1,20,924	00		
3,17,642	86	1,74,062	86	14,358	00	1,88,420	86	1,79,222	00		
1,82,591	76	82,033	76	10,056	00	92,089	76	90,532	00		
43,259	59	22,478	59	2,078	00	24,556	59	18,703	00		
2,38,671	19	88,818	44	14,985	75	1,03,804	19	1,34,867	00		
36,276	75	9,830	75	2,644	00	12,474	75	23,802	00		
28,141	03	28,141	03			28,141	03				
1,08,302	75	42,408	63	6,589	12	48,997	75	59,305	00		
3,977	50	3,977	50			3,977	50				
72,193	00			7,219	00	7,219	00	64,974	00		
13,66,652	39	6,22,640	27	77,403	12	7,00,043	39	6,96,629	00		
66,148	81	66,148	81			66,148	81				
42,650	56	40,858	56	1,056	00	41,914	56	1,056	00		
10,473	32	5,920	32	455	00	6,375	32	4,098	00		
1,20,189	67	68,451	67	5,174	00	73,625	67	46,564	00		
53,333	94	27,144	94	2,649	00	30,093	94	23,840	00		
1,51,466	59	1,16,409	59	5,772	00	1,22,181	59	26,315	00		
5,82,252	85	4,87,338	72	47,468	13	5,34,746	85	47,506	00		
12,174	53	3,299	53	887	00	4,186	53	7,988	00		
31,340	32	10,777	32	2,056	00	12,833	32	18,507	00		
1,70,990	59	8,26,649	46	68,457	13	8,95,106	59	1,75,874	00		
1,89,291	67	11,23,201	82	26,953	85	1,50,155	67	39,136	00		
50,332	95	17,440	42	3,289	53	20,729	95	29,603	00		
82,083	50	31,622	50	5,046	00	36,668	50	45,415	00		
17,360	00	7,935	20	992	80	8,928	00	8,932	00		
4,627	32	1,738	32	318	00	2,056	32	2,866	00		
5,158	27	3,781	62	137	65	3,919	27	1,239	00		
4,815	00			481	00	481	00	4,334	00		
1,11,852	17			11,185	17	11,185	17	1,00,667	00		
4,66,315	88	1,85,719	88	48,404	00	2,34,123	88	2,32,192	00		

Total depreciation on Motor Cars

33,870 35

Less depreciation charged on Cars sold during the year

6,916 50

26,953 85

INDIAN TEA *INCOME AND EXPENDITURE ACCOUNT*

EXPENDITURE	Rs.	nP.	Rs.	nP.
To Contribution to Bengal Chamber of Commerce and Industry			3,50,000	00
.. Establishment	49,277	05		
.. Printing	22,244	51		
.. Stationery	15,648	13		
.. Books and Newspapers	3,285	21		
.. Postages	9,221	28		
.. Telegrams	2,461	28		
.. Telephones	4,285	44		
.. General Charges	10,299	52		
.. Travelling	34,863	62		
.. Audit Fee	2,150	00		
.. Sundry Subscriptions	28,370	00		
.. Pensions and Gratuities	17,970	47		
.. Law Charges*	65,989	80		
.. Depreciation	2,01,150	75	4,87,098	08
.. Advisers' Salaries and Expenses			3,47,079	22
.. Statistical Department Expenses			44,555	80
.. Contribution to I. T. A. London			41,405	20
.. Contribution to Terai Planters Association			10,000	00
.. Iron and Steel Control			1,500	00
.. Engineering Department Expenses			2,68,161	57
.. Shillong Adviser's Expenses	1,18,922	47		
.. Less Contributions	8,740	00	1,10,182	47
.. Labour Department Expenses :				
Assam Branch	1,65,865	49		
Surma Valley Branch	47,844	09		
Darjeeling Branch	38,259	14		
Dooars Branch	1,13,414	39	3,65,388	11
.. Expenses for Duke of Edinburgh's Visit			22,770	00
.. Family Planning Expenses			8,156	15
.. Maintenance of Bungalows			1,879	00
.. Contribution to Pension Fund			52,360	50
TOTAL Rs.			21,10,532	17

*Including Rs. 31,460 transferred to Special Levy for Legal Expenses

ASSOCIATION

for the year ended 31st December, 1961.

INCOME	Rs.	nP	Rs.	nP.
B. Subscriptions	48,08,326	82		
Less proportionate share of Scientific Department	30,71,893	30	17,96,433	52
Interest			16,767	94
Royalty on Prototype Machinery			1,72,445	00
Profit on sale of Motor Cars			17,236	00
Profit on redemption of securities			3,234	23
Bungalow Rent	4,555	00		
Interest paid	194	56	4,660	44
Refund of Income Tax			62,536	12
Deficit carried to Balance Sheet			17,218	92
TOTAL RS			21,10,332	17

ASSOCIATION**Department****31st December, 1961.**

ASSETS		Rs.	nP.	Rs.	nP.
FIXED CAPITAL EXPENDITURE (as per Schedule)					
Tocklai Land and Buildings	...	12,28,617	11		
Air Conditioning Plant	...	5,632	00		
Electrical Installation	...	82,412	00		
Internal Telephone Installation	...	2,054	00		
Water Supply	...	99,740	00		
Tea Factory Machinery	...	10,547	00		
Laboratory Apparatus and Equipment	...	1,14,484	00		
Laboratory Fittings	...	802	00		
Advisory Officers Bungalows	...	49,695	00		
Furniture and Fittings	...	2,36,523	00		
Motor Cars and Vehicles	...	76,618	00		
Meteorological Enclosures	...	11,579	00		
Fencing and Roadways	...	50,264	00		
Fire Fighting Equipment	...	12,150	00		
Wireless Receiving Set	...	383	00	19,81,500	11
OUTSTANDINGS					
Considered Good	...	60,838	20		
Considered Doubtful	...	1,049	52	61,887	72
DEPOSITS				1,024	31
ADVANCES					
Due by Indian Tea Association	...	3,11,949	81	4,44,903	01
STOCK OF STORES ON HAND (including Foodstuffs & Coal)					
In transit	...	1,46,290	46	1,47,312	96
		1,022	90		
Carried Over				26,36,628	11

INDIAN TEA

Scientific

BALANCE SHEET as at

LIABILITIES (<i>Contd.</i>)	Rs.	nP.	Rs.	nP.
Brought Forward	28,47,242	41
TOTAL Rs.			28,47,242	41

AUDITORS' REPORT

We have audited the foregoing Balance Sheet of the Indian Tea Association Scientific Department as at 31st December, 1961, and the Income and Expenditure Account for the year ended on that date in which are incorporated the certified returns from the Indian Tea Association, London. We have obtained all the information and explanations we have required. Subject to our report of 10th February, 1962 concerning the returns from the Director, Tocklai Experimental Station, in our opinion the Balance Sheet exhibits a true and correct view of the state of the affairs of the Association's Scientific Department according to the best of our information and the explanations given to us and as shown by the books of the Association.

Calcutta, 23rd February 1962.

LOVSBLOCK & LEWIS,
Chartered Accountants

ASSOCIATION

Department

31st December, 1961.

ASSETS—(Contd.)		Rs.	nP.	Rs.	nP.
Brought Forward ...		...	...	26 36,628	11
CASH					
With State Bank of India on Current Account ...		73,407	30		
.. Director, Tocklai Experimental Station - at United Bank of India, Jorhat on Current Account ...		7,629	68		
In hand ...		52,138	96		
.. Indian Tea Association, London - a/c. Investigation into Chemistry of made Tea at National & Grindlays Bank Ltd., London on Current Account £523 14 8		6,995	26		
In hand £ 13 18 2		185	77		
a/c. London Advisory Committee at National & Grindlays Bank Ltd., London on Current Account £19 5 4		257	33		
Cash in transit ...		70,000	00	2,10,614	30
TOTAL Rs.				28,47,242	41

I. E. MORRIS,
Chairman.

W. D. BRYDEN,
Secretary.

INDIAN TEA
Scientific
Schedule of Fixed

1	Written down value on 31-12-1960		Additions in 1961		Sales during 1961	
	2		3		4	
	Rs.	nP.	Rs.	nP.	Rs.	nP.
Tocklai Land and Building						
Buildings	12,21,267	00	6,715	20	...	...
Land	1,23,259	61	133	50	...	...
Electrical Installation	1,06,392	00	2,389	38	5,767	14
Internal Telephones	2,567	00	...	...	...	...
Water Supply	1,00,051	00	24,624	04	...	...
Tea Factory Machinery	6,758	00	4,961	94	...	...
Laboratory Apparatus and Equipment	1,23,150	00	19,954	18	...	...
Laboratory Fittings	871	00	...	...	...	...
Air-Conditioning Plant	6,257	00	...	...	...	...
Fire Fighting Equipment	13,500	00	...	...	...	...
Advisory Officers' Bungalows and Staff Quarters						
Dooars	20,546	00	3,842	00	...	...
Darjeeling	80,410	00	...	...	72,193	00
Cachar	22,610	00	...	...	...	...
Furniture & Fittings						
Tocklai Officers' Bungalows and Office Furniture	2,49,762	00	3,224	61	255	00
Advisory Officers' Bungalow and Office Furniture	10,472	00	...	...	...	...
Meteorological Enclosures	12,802	00	63	45	...	...
Fencing and Roadways	54,851	00	997	28	...	...
Wireless Receiving Set	...	...	510	54	...	...
Total	21,55,185	61	67,416	12	78,215	33

	Cost to 31-12-1960	Additions in 1961	Sales in 1961
Motor Cars and Vehicles	2,60,608.69	22,016.50	39,781.46
*As per last Balance Sheet	...	...	1,54,794.69
Less adjustment in respect of sales	...	...	29,703.46
			<u>1,25,091.23</u>

ASSOCIATION

Department

Capital Expenditure 1961

Total of Col. 2 & 3 minus Col. 4		Percentage of Depreciation	Depreciation in 1961		Balance on 31-12-61	
5			7		8	
Rs.	nP.	6	Rs.	nP.	Rs.	nP.
12,27,982	20	10	1,22,798	20	11,05,184	00
1,23,433	11	—	—	—	1,23,433	11
1,03,014	05	20%	20,602	05	82,412	00
2,567	00	20	513	00	2,054	00
1,23,675	04	20	24,935	04	99,740	00
11,719	94	10	1,172	94	10,547	00
1,43,104	18	20%	28,620	18	1,14,484	00
891	00	10%	89	00	802	00
6,257	00	10	625	00	5,632	00
13,500	00	10%	1,350	00	12,150	00
24,388	00	10	2,438	00	21,950	00
8,217	00	10	821	00	7,396	00
22,610	10	10	2,261	00	20,349	00
2,52,331	61	10%	25,233	61	2,27,098	00
10,472	00	10%	1,047	00	9,425	00
12,865	45	10	1,286	45	11,579	00
55,848	28	10	5,584	28	50,264	00
510	54	25	127	54	383	00
21,44,386	40		2,19,504	29	19,04,882	11

Cost to 31-12-1961	Depreciation		Total Depreciation	Balance at 31-12-1961
	up to 31-12-60	During 1961		
2,42,841.73	*1,25,091.23	*41,132.50	1,66,223.73	76,618.00
Total Depreciation on motor cars				43,222.91
Less: Depreciation charged on cars sold during the year				2,090.41
				<u>41,132.50</u>

INDIAN TEA

Scientific

INCOME AND EXPENDITURE ACCOUNT

EXPENDITURE	Rs.	nP.	Rs.	Rs.
To Office and Establishment ...			10,12,230	30
„ Botanical Branch Expenses ...			2,88,235	38
„ Agricultural Branch Expenses ...			5,42,197	49
„ Tea Chemistry and Technology ...			2,24,967	69
„ Plant Pathology ...			2,07,726	23
„ Soil Physics Chemistry and Meteorology ...			1,34,323	73
„ Statistical Branch Expenses ...			87,427	12
„ Advisory Branch Expenses :				
Assam	1,79,146	76		
West Bengal	1,59,642	58	3,38,789	34
„ London and Calcutta Expenditure :				
London Advisory Committee meeting expenses	8,425	71		
Investigation into Chemistry of Made Tea	76,857	63		
Calcutta Expenditure ...	13,919	09		
London Expenditure ...	13,356	52	1,12,558	95
„ Visit of Sir Frank Engledow ...			3,819	71
„ Visit of Prof. Clapham ...			5,572	42
„ Depreciation ...			2,82,727	20
„ Puja Bonus to Junior Staff ...			49,944	58
„ Surplus carried to Balance Sheet ...			1,32,530	43
TOTAL Rs. ...			34,23,050	57

ASSOCIATION

Department.

for the year ended 31st December, 1961.

INCOME	Rs.	nP.	Rs.	nP.
By Subscription transferred from General Account			30,71,893	30
.. Sale of Green Tea Leaf and Export Quota Rights			91,910	49
.. Sale of Publications			1,12,330	04
.. Advice Fees			25,543	26
.. Sundry Receipts			8,619	48
.. Profit on sale of Motor Car			2,886	00
.. Pesticide Testing Fees			4,350	00
.. Sale of Clones			84,618	00
.. Fees for Lecture Course			20,900	00
TOTAL RS.			34,23,050	57

